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Proceedings of the Mysore Legislative Council held on the 18th December 1922.

PROCEEDINGS OF THE MYSORE LEGISLATIVE COUNCIL.

Proceedings of the meeting of the Legislative Council held on the 18th December 1922.

PRESENT.

A. R. BANERJI, ESQ., M.A., C.S.I., C.I.E., DEWAN (*Presiding*).

Ex-officio Member.

MIR HAMZA HUSSAIN, ESQ., B.A., B.L.,
Second Member of Council.

Official Members.

1. K. R. SRINIVASA IYENGAR, ESQ., M.A.
2. K. CHANDY, ESQ., B.A.
3. A. SUBRAHMANYA IYER, ESQ., B.A.
4. SRINIVASACHARYA CADAMBI, ESQ., B.A., L.C.E.
5. DR. H. B. MYLVAGANAM, F.R.C.S.
6. C. S. BALASUNDRAM IYER, ESQ., B.A.
7. P. G. D'SOUZA, ESQ., B.A., B.L.
8. M. N. KRISHNA RAO, ESQ., B.A.
9. B. RAMASWAMAIYA, ESQ., B.A., B.L.
10. K. SHANKARANARAYANA RAO, ESQ., M.A., B.L.
11. B. VENKOBA RAO, ESQ., B.A.

Non-Official Members.

1. RAJASABHABHUSHANA DEWAN BAHADUR, K. P. PUTTANNA CHETTY, C.I.E.
2. RAJAKARYAPRASAKTA RAO BAHADUR, M. SHAMA RAO, M.A.
3. RAO BAHADUR M. C. RANGIENGAR, B.A.
4. MAHOMED ABBAS KHAN, ESQ.,
5. M. SUBBAIYA, ESQ., B.A.
6. B. N. VIJAYA DEVA, ESQ., M.A., BAR.-AT-LAW.
7. B. V. RAMASWAMY CHETTY, ESQ., B.A.
8. D. VENKATESAIYA, ESQ., B.A., B.L.
9. H. VENKATARAMAIYA, ESQ., B.A., B.L.
10. N. S. NANJUNDAIYA, ESQ.
11. H. G. BASAVAPPA, ESQ.
12. M. ANANTHIAH SETTY, ESQ.
13. RAO SAHEB H. CHANNAIYA.
14. M. RAMACHANDRA RAO, ESQ., B.A., B.L.
15. B. ABDUL RAHMON, ESQ., B.A.
16. G. PARAMASIVIAH, ESQ., B.A., LL.B.

Absent.

K. MATTHAN, ESQ., B.A.
H. KRISHNA RAO, ESQ.

J. APPAJI GOWDA, ESQ., B.A. (*Hons.*),
Secretary.

The Secretay reported to the Council :—

(*a*) That the Bill to amend the Indian Succession Act as in force in Mysore; Bill further to amend the Indian Penal Code as in force in Mysore ; Bill further to amend the Registration Regulation and Bill further to amend the Negotiable Instruments Regulation, which were passed at the meeting of the Council held on the 18th September 1922 received the assent of His Highness the Maharaja of Mysore on the 17th October 1922.

(*b*) (i) That a petition has been received from one Mr. Subba Rao of Gudibanda, praying that patels and shanbhogs may be permitted to become members of minor Municipalities though they may collect Municipal Revenue and that it does not conform to Rule 55 (*i*) of the Petition Rules.

(ii) That another petition has been received from Mr. B. S. Venkatasubbiah, Pleader, Seringapatam, suggesting that the Court Fees and Stamp Amendment Bills may be brought into force three months after promulgation and publication in the Gazette, (to be considered under Rule 57 of the Rules of Business when discussing items 8 and 9 under Bills in the Agenda).

II. INTERPELLATIONS.

By Rajakarayaprasaktha Rao Bahadur M. Shama Rao—

1. Will the Government be pleased to state whether a state of tranquillity has continued to prevail in the town of Tiptur from the date of the slight disturbances referred to in the Government Communique on the subject issued to the press?

This question was withdrawn.

*** Mr. Hosakoppa Krishna Rao asked—**

2. Will the Government be pleased to state—

(*a*) Whether according to the original notification dated 18th October 1922, detailing the terms of reference, the Report of the Committee on Constitutional Reforms is ready and has been submitted to Government?

(*b*) If the answer is in the negative, when the Report of the Committee is expected?

Mr. B. Venkoba Rao replied—

(*a*) The answer is in the negative.

(*b*) Government expect to receive the report about the middle of January.

Mr. G. Paramasiviah asked—

3. Will the Government be pleased to state—

(1) The amount of additional expenditure, which is likely to be incurred by the introduction of the Constitutional Reforms recently announced?

(2) How they propose to meet such additional expenditure?

Mr. B. Venkoba Rao replied—

(1) and (2) The amount of additional expenditure that is likely to be incurred by the introduction of the reforms cannot be ascertained at present, but a correct estimate will be framed and placed on the table when all the details are worked out.

Mr. G. Paramasiviah asked—

4. Will the Government be pleased to state—

(1) The period during which one Basavaradhya acted as Tank Inspector at Channapatna in the year 1921-22.

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* Mr. Krishna Rao being absent, the question was asked by Mr. Venkatesaiya.

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* Mr. Krishna Rao being absent, the question was asked by Mr. Venkatesaiya.

(2) By whom he was appointed?

(3) Whether it is a fact that his pay has not yet been disbursed, if so, why?

Mr. Mir Hamza Hussain replied—

(1), (2) and (3) The facts of the case have not come to the notice of the Government, but a report has been called for and will be placed on the table when received.

Mr. G .Paramasiviah asked—

5. Will the Government be pleased to state—

(1) The number of free-studentships and half-free-studentships available in the Central College, Bangalore, and Maharaja's College, Mysore, in addition to the free-studentships awarded to holders of Backward Communities' Scholarships?

(2) The number of students of different communities, who have been awarded the same during the current year?

Mr. B. Venkoba Rao replied—

(1) and (2) The information has been called for and will be placed on the table when received.

Mr. H. G. Basavappa asked—

6. With reference to the Dewan's promise in his opening address to the last Session of the Mysore Representative Assembly to institute an enquiry into the causes of the Agricultural indebtedness in Mysore, will the Government be pleased to state—

What steps, if any, have been taken by them in that direction?

Mr. Mir Hamza Hussain replied—

The matter is engaging the earnest consideration of Government and orders will be issued in due course.

Mr. H. G. Basavappa asked—

7. With reference to the new order of Government regarding concessions to the holders of lands under the tanks that fail to obtain the usual supply of rain water in any year, will the Government be pleased to state—

Whether they are aware that due publicity of the said Government Order and the rules thereunder has not been given among the uneducated raiyats?

Mr. B. Venkoba Rao replied—

The order has been published both in the English and Kannada issues of the *Mysore Gazette* and Government do not consider that any further action is necessary.

Mr. B. Abdul Rahmon asked—

8. Will the Government be pleased to state—

(*a*) The total amount spent on the erection of buildings to locate Government offices during the period of five years 1917-18 to 1921-22.

(*b*) The amounts of rents paid owing to the occupation of private buildings for the location of Government offices during the years 1917-18, 1918-19, 1919-20, 1920-21 and 1921-22.

Mr. Mir Hamza Hussain replied—

(*a*) and (*b*) Information has been called for and will be placed on the table on receipt.

III. BILLS.

I. Bill to amend the Village Courts Regulation.

MR. MIR HAMZA HUSSAIN.—I beg to move for leave to introduce a Bill to amend the Mysore Village Courts Regulation. The amendment in view relates to Section 76 of the Regulation which provides that no plaint, petition or Vakalat Nama presented to a Village Court shall be chargeable with any fee under the Mysore Court Fee Regulation. This exemption was provided for with the object of popularizing Village Courts in the early stages of their working. The Regulation has now been in operation for about nine years and during this period more than 200 Village Courts have come into existence. The demand for the opening of Courts of this type still continues, not only in rural but also in Municipal areas and representations are also being made for the extension of the local jurisdiction of the existing Courts. These are clear indications of the popularity of the measure.

As the business of the Village Courts expands, the need for providing them with suitable buildings and establishment will arise and as a matter of fact several of the existing Courts have already urged that the services of a clerk is absolutely necessary. Ways and means have therefore to be found for meeting these demands.

Having regard to the rapid increase of the number of Village Courts and their assured popularity, Government consider that the total exemption of suits filed before these Courts from Court fees is no longer necessary and the Bill is accordingly designed to enable Government to direct the levy of Court fees in such cases subject to a maximum of half the fees chargeable under the Court Fees Regulation.

I may also add that the Representative Assembly which was consulted in the matter at the last Budget Session supported the proposed levy.

With these remarks I beg to move that leave be granted to introduce the Bill.

Mr. K. R. SRINIVASIENGAR.—Sir, I beg to second the motion.

RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY.—It is a matter of satisfaction that the Village Courts have come into popularity and that their number is steadily increasing. It is a direction of non-official activity to which every encouragement should be given and I do not know if the proposed levy of even half the Court fees will in any way affect the popularity of these institutions. But still, if there is no pronounced opposition to this measure, I should be glad to support it. It is one of the measures of Local Self-Government which have been brought into existence by the kind benevolence of His Highness the Maharaja's Government and nothing should be done to impair its usefulness. I support the proposal and hope that there will be no opposition to it.

DEWAN.—In this House?

RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY.—Yes, in this House.

RAO BAHADUR M. C. RANGA IYENGAR.—Sir, I beg to submit for the consideration of this House the fact that the imposition of a tax upon persons who seek justice in the Village Courts established by Government is not justifiable. What seems to me deserving of consideration is that certain classes of suits having been exempted from the Court Fees Regulation, is it very desirable to impose Court-fee on them now. I can understand the justification for the levy of Court fees on suits in the regular Courts grounded as reasonable charges for services rendered by Government. If as a matter of fact there is a large surplus under the head "Court Fees" there is no justification for extending the levy of fees to suits which have been exempted from the Court Fees Regulation. In any case, I think it is desirable that for some longer time to come, the parties resorting to these Courts should not be made to pay taxes. If the Government is pleased to deal with the Judicial Department in a more generous way than hitherto, then there might be some justification for enhancing the Court fees in regular suits.

RAO BAHADUR M. SHAMA RAO.—I beg to support the principle of the Bill but have not as yet decided whether it is necessary to levy ½ or ¼ of the existing fees.

DEWAN.—The maximum is half according to the Draft Bill.

RAO BAHADUR M. SHAMA RAO.—I am in favour of the principle of the Bill, as it stands. The person that rushes into a Court should satisfy himself that he has got a real grievance. I know in some other sphere of business, suits are filed very indiscriminately and no particular care is taken. The levy of some such fee will certainly make them to be more careful in the matter of resorting to Courts.

MR. PARAMASIVIAH.—As far as I am aware of, I do not think that the Village Courts are very popular. As a matter of fact, I am told that many Courts have not at all been working, and some of the decrees passed by these Courts are not being executed at all. The only temptation for people to resort to the Village Courts, is that no Court-fee is levied there. If that temptation were to be taken away. I am afraid that the Village Courts will not be made use of to such an extent as we desire.

MR. VENKATESAIYA.—I am also of opinion that it is too early to levy fees on suits filed in the village Courts. Further, I believe that it is against principle to extend the jurisdiction of the Village Courts. I am of opinion that the satisfactory working of Village Courts is due to the limitation of jurisdiction. The Village Munsiff is expected to know the parties, the nature of the evidence that they are likely to give and the nature of the claim too. As such the presence of the Village Munsiff before the witnesses is now exercising a healthy influence and the witnesses also speak the truth. If the jurisdiction is extended the Village Munsiff will not have the same advantages, as he cannot be in a position to know the parties who come from distant places, and as such can exercise no influence whatsoever. I submit for the consideration of this Council whether it is desirable to extend the jurisdiction of the Village Munsiffs beyond their own villages.

DEWAN.—Is that question before the House now ?

MR. VENKATESAIYA.—No. That is one of the grounds for introducing the Court Fees in Village Courts. From what I understand, this amount is intended to be utilised for building purposes and other things. If not for this purpose, then what is the object of levying fees ? The object is stated to be the provision for buildings for Village Courts and this will be necessary only if jurisdiction is extended. It is not desirable to extend the jurisdiction of the Village Munsiffs beyond their own villages, and on that ground it will not be necessary to levy any court fees now. It is still a question to be considered whether the village courts are as popular as can be desired. No doubt, some of these courts are working very satisfactorily, but still I think the concession of exemption from Court Fees might be extended for sometime longer.

MR. M. RAMACHANDRA RAO.—We are enhancing the Court-fee and this is one of the Bills for consideration at this meeting. If the levy of half the Court-fee is approved, then there will be very great hardship caused to the persons who resort to these Courts. I am in favour of the motion, but I would submit for the consideration of Government that one-fourth of the enhanced Court-fee will be quite fair. To levy anything more, I submit, would work very great hardship.

MR. B. V. RAMASWAMI CHETTY.—I support the Bill. I do not see any reason why we should oppose this Bill. The Regulation has been in force for the last nine years and it cannot be said that the Courts started under the Regulation have not worked well. Previous speakers stated, in general, that some of the Courts are not working well, but they have not mentioned the names of such Courts. From what I learn, many Courts have been working very satisfactorily.

Regarding the levy of fees in these Courts I am of opinion that it will not cause any hardship. These Village Courts deal with petty cases. The fees paid at present is very low, (As. 12 for Rs. 10) and half of this is nothing. Even if the Bill is amended, people will have to pay a couple of annas more and such of those who resort to these Courts for justice should not grudge to pay this small sum.

Government have to open new Courts and construct buildings for these Courts. For these and also for providing assistance to the already heavily worked Village Munsiffs, they want money. It will not be justice to oppose this Bill. I do not find any necessity to reduce the fees even by one-fourth as one of the previous speakers suggested.

I support this Bill.

MR. M. SUBBAIYYA.—I am surprised to hear from the Second Member of Council that the Village Courts are working very satisfactorily. But on the other-hand, I have heard more about their unpopularity. As Mr. Paramasiviah said, it has come to my notice also that people in many villages do not resort to these courts. It is not desirable to levy any fees and after all, what we get by enhancing the fees will not in the long way meet the expenditure on buildings and other purposes. In cases where the courts are working well and where the income is greater than the expenditure, Government may do well to meet the building charges etc., from general funds. The levy of half or one fourth court fee does not in the long run help matters much. I am not in favour of having any court fees.

MR. MIR HAMZA HUSSAIN.—I would like to say at the outset that the provisions in this Bill are not obligatory. It is only intended to take power on behalf of Government to devise measures to levy half the court fee when an emergency or a necessity arises. The reasons which induced Government to bring up this Bill before this House were explained fully at the meeting of the Representative Assembly, and that body which is greatly in touch with village life unanimously approved of the measure. That body also testified then to the satisfactory manner in which most of the courts are working.

Mr. Paramasiviah, of course, from his knowledge of the working of these courts, said that their work was not very satisfactory. This is unfortunately the impression in some quarters, especially in cities. In my recent tour I made it a point to inspect these courts personally and I was glad to find that they were not only working satisfactorily, but some of the munsiffs commanded unbounded confidence of the village people. Especially in Tyamagondlu, I was surprised to see an aged gentleman disposing of cases much more expeditiously and impartially than professional people and that there was also this satisfactory feature about his decisions, that not a single case disposed of by him was referred to higher courts.

Mr. Tubugere Nanjappa eloquently pleaded in the Representative Assembly for the establishment of these courts in City areas also and Government could not very well refuse his request. But the establishment of courts in cities means large expenditure. We will have to provide good buildings for court houses. We cannot very well ask these honorary and heavily worked munsiffs to maintain all the registers which are required to be maintained under the Village Courts Regulation. They have to maintain the Suit Register, Execution Register, do all sorts of miscellaneous work and even write processes. If you want that the village courts should become popular, it is absolutely necessary that the village munsiffs should be relieved of the clerical work they have been called upon to do. So long as they are thus hampered, it is very difficult to induce intelligent men to take up the task.

Then, Mr. Venkatesaiya referred to the undesirability of extending the jurisdiction of these courts. Well, I do not know how far he is in touch with that part of the Kolar District where these courts are working satisfactorily. It is in the Kolar District that these courts are working very satisfactorily, especially in the Malur Taluk. It is from there that applications have been received for the extension of the jurisdiction of these courts.

Jurisdiction is of two kinds, *viz.*, territorial and pecuniary. We do not propose just now to enhance the jurisdiction of either kind, but just now there is a provision in the Village Courts Regulation to the effect, that within the territorial jurisdiction may be comprised all the villages which are within the radius of five miles. When the courts were first constituted, a small number of villages were included in the jurisdiction of these courts and now applications are being received for the extension of jurisdiction to other villages within the radius of five miles.

Mr. Ranga Iyengar has stated, rather broadly that litigation should not be taxed. I do not think so. As acknowledged by Mr. M. Shama Rao the levy of a small fee will prevent people from rushing into courts and filing suits indiscriminately.

What is now urged in some quarters is that the surplus revenue from the courts should not be utilised by the Government for other purposes. This is a new principle altogether, and has not been adopted anywhere. Even in the Madras Legislative Council (during one of its sessions when bills to amend the Court Fees Regulation and the Stamp Regulation were moved) this suggestion was made but

was not accepted by Government because they have all along been accustomed to utilise the surplus proceeds from these courts for general purposes of administration, and the recognition of any such principle would mean dislocation of finances. Of course, if the people are coming forward to tax themselves in other directions, Government will probably have no objection to recognise this principle.

It is not likely that there will be any surplus. On the other hand, calculations show that there will be a deficit of Rs. 10,000 or Rs. 15,000 even after the levy of half the court fees on suits filed in these village courts. The money that we may raise may just be sufficient to meet our immediate wants and if there is to be any surplus, Government will take steps to reduce the rate of the tax.

I may assure Mr. Ramachandra Rao that Government, in the first place, do not propose to levy the fees just now, but may do so when the need arises, and in any case a beginning will be made with quarter of the ordinary court fees.

DEWAN.—From the remarks that have been made by the several members, it appears that the opinion of the House at the initial stages in regard to the legitimacy of levying the fees was somewhat divided; but at the same time, there appears to be a consensus of opinion that the principle of the Bill is sound. It must be observed that the very underlying principle regarding the formation of village courts has been that litigation in regard to petty disputes should be conducted under a system which is simple and convenient to the villagers. When the village Courts Regulation was passed, that principle was adhered to and we embodied a provision in the Bill that no kind of fees will be levied under the Village Courts Regulation. But I think the members of this House will concede that times have greatly changed since those days. Although we have enlarged the jurisdiction of these courts, we have yet been trying our best to extend the number of these courts and increase their utility as far as possible. The honorary work that we expect of the Village Munsiffs to perform has increased very appreciably. In many cases applications have been received by Government for assistance and additional facilities, and owing to financial difficulties Government have not been able to meet the expenditure that may be involved in putting the village courts on a satisfactory and efficient working condition. I think this House might probably overlook that aspect of the question. Apart from the question of Rs. 10,000 or Rs. 20,000 of additional expenditure, I think it may be considered as a reasonable proposition to state that if these village courts have increased in popularity and have now turned out a fair volume of business in the way of administering civil justice in a simple form to the villagers, it will further increase their popularity and their utility, if Government are able, with a more or less satisfying frame of mind, to find additional facilities for these courts with the help of this small levy.

I fully sympathise with the view that as we are likely to increase the general rate of court fee throughout the State, a provision like this will cause a certain amount of hardship and as the Honourable Member in charge of the Bill has explained, it is not the intention of Government to levy the fees at the maximum rate provided in the amending Bill, but to proceed slowly and only levy at the rate of 25 per cent. If after the explanation that has been given, the members have still any apprehension that the proposal is likely to hamper the growth and the development of Village Courts' system in the State, I daresay, the Honourable Mover will not hesitate to fix a limit on a somewhat reduced rate if the House insists that that should be done before the motion is approved unanimously. With these remarks, I shall put the motion to vote.

MR. ABBAS KHAN.—I suppose this will be an enabling clause.

MR. MIR HAMZA HUSSAIN.—I am ready to undertake that it will not exceed quarter of the ordinary court fees.

The motion was then put to vote and was carried.

2. Bill to provide for suits against Government.

MR. MIR HAMZA HUSSAIN.—Sir, I consider myself peculiarly fortunate that it should have fallen to my lot to introduce this long desired piece of legislation in response to the wishes of the Representative Assembly and the Legislative Council. It must be within the memory of this House that my friend Mr. Ramachandra Rao moved a resolution last year recommending to the Government the

advisability of taking legislative action in the matter of providing for the institution of suits against Government and that resolution was accepted by the Government. The Government had the subject under consideration for some time prior to the passing of this resolution and a draft Bill was under preparation. But after the discussions in the Legislative Council, the matter was expedited and it gives me great pleasure to state that the practical manner in which Mr. Ramachandra Rao dealt with the subject in his learned speech enabled the Government to decide upon the lines on which the Bill should be framed. The Bill was discussed in the last sessions of the Representative Assembly and was generally approved. A few suggestions were made which could not be incorporated into the Bill as they affect the provisions of other substantive laws. However these suggestions will be placed before the Select Committee for consideration.

The Bill has been drafted on the lines of the Court of Claims Act in America. In the United States of America as also in England no unrestricted right of suit against the Governments exists. It is by means of a petition of Right that a suit can be brought in the English Courts and in America there are special enactments called the Courts of Claims Act, making provision for the right of suit against the Government in particular cases.

The classes of suits in which relief can be obtained against Government have been enumerated in clause 2 of the Bill. They are sufficiently comprehensive, I think, for all practical purposes and will meet the ordinary requirements of the people. The Bill does not and cannot pretend to be exhaustive. The complexities of human affairs are so great that it is not possible to anticipate all kinds of claims that may arise against the Government and make due provision in advance for them. When such cases actually arise and need is felt for legislation, suitable action will be taken.

With these remarks I move that the Bill be read in Council.

Mr. K. Shankaranarayana Rao.—Sir, I beg to second the motion.

Mr. M. C. Ranga Iyengar.—Sir, I offer hearty congratulations to Government for having introduced this measure which had been demanded by the public for ever so many years past. I remember in connection with the introduction of certain amendments in the Civil Procedure Code, this question was very hotly contested but the then Government considered it impossible to admit suits being brought against Government. Since then much water has flowed in the Cauvery and a change seems to have come over the spirit of the Government, and I am very glad that the present Government considered it expedient to accede to the wishes of the people.

I heartily support the principles of allowing suits being filed against Government. As regards the frame-work of the Bill, I have one or two observations to make which can be considered by the Select Commitee. Instead of stating what particular suits or classes of suits can be filed against Government and then winding up with the statement that no other suits can be filed, it would be better to define what suits ought not to be or cannot be filed against Government. (Here he quoted section 9 of the C. P. C.) Such being the general statement in the C. P. C. will it not be in consonance with the spirit of that legislation to enact that certain classes of suits are excluded from the cognisance of Civil Courts?

The Hon'ble Mover stated that human affairs are so complex that it is not possible to know beforehand all possible classes of claims against Government.

The Hon'ble Mover was pleased to say that when such cases arise then steps would be taken to amend the Regulation. Such cases would be outside the scope of new legislation, and would be left without redress. Instead of doing that would it not be better to say that certain classes of suits ought not to be taken cognizance of. Then it would be a definite statement. Whenever a doubt arises it is better to leave it to the decision of the Civil Court. If this course is adopted, no party will go without redress. But if the suggestion of the Hon'ble Member of Council is adopted, there will necessarily be some parties who will go without any redress.

There is a general statement in the Bill that no other suits are cognisable by the Civil Court. That at least may not be retained in the Regulation that is going to be passed, I would suggest that in addition to the classes of suits that are enumerated in the Bill a number of other cases also may be included in which suits

against Government ought to be allowed to be filed. For instance under the Land Acquisition Regulation, the acquisition officer makes an award. A party is dissatisfied and asks him to make a reference to the Civil Court. If the officer does not make a reference, the party is devoid of redress. The matter cannot be taken to the Chief Court, as that Court will not entertain the application. Thus the party has to go without remedy. He cannot file a suit against Government. Since we are now dealing with the question, it is very desirable that suits of this type are also included in the Regulation. Provision has not also been made for claiming damages for any injuries committed by the Government officers. Supposing a Police Constable unlawfully arrests a respectful man; is he not to be allowed to file a suit against Government?

MR. MIR HAMZA HUSSAIN.—Provision is made in the Police Regulation for such offences.

MR. M. C. RANGA IYENGAR.—I am not aware of any such provision. However, I humbly submit for the consideration of this House whether it is not desirable to enumerate the suits that ought not to be filed against Government and leave all doubtful questions of jurisdiction to be decided by the Civil Courts.

MR. M. RAMACHANDRA RAO.—Sir, I beg to associate myself with Mr. M. C. Ranga Iyengar in congratulating Government on the action which they have been pleased to take. I am also thankful to the Hon'ble Mover of this Bill for the kind reference he has made to the little work that my humble self has been privileged to do.

Mr. Ranga Iyengar has no doubt made some very valuable suggestions, but in my opinion these suggestions come somewhat too late. It has taken such a long time for Government to introduce a measure like this and if we should wait for a Bill which can satisfy all minds and all people, we may have to wait indefinitely long. We have to accept with grace what the Government have been pleased to put forward by means of this measure and if we find that the Bill has not been satisfactory or some improvements are necessary in the framework of the Bill, it will be open to us later on to urge upon the attention of Government that the improvements should be effected. I dare-say that Government will be quite as much anxious then as they are now, to accede to the wishes of the members of this Council. I had occasion to go through this Bill on a former occasion and I think it embodies all that is necessary for the present. I need hardly say that I support the motion.

MR. ABBAS KHAN.—Sir, I beg to associate myself with the previous speakers in congratulating the Government for having brought forward this measure, which when passed into law will remove a long standing grievance of the public. Now that the Government have embarked on commercial and industrial enterprise, it is but right and proper on their part to concede this right to the public by providing necessary safeguards in the Bill for giving relief to aggrieved persons. The list of cases as furnished in the proposed Bill in which relief can be sought for is comprehensive and it bears testimony to the good intentions of Government. I therefore heartily support the Bill.

MR. VIJAYA DEVA.—I am in hearty sympathy with what the learned members of this House have spoken, *viz.*, that the Government ought to be congratulated on the step they have taken in introducing this Bill. Sir, to me it seems that this is a *Magna Charta* for which the Mysoreans have to be really thankful. Students of History will remember that it was during the time of King John in England that the Charter of Liberty was granted. That was marked as a very great epoch in the History of England. If I can similarly think of anything in our own history, the passing of this Bill in this Council marks some such epoch.

As I said, I certainly congratulate Government on the measure that has been put forward before us to-day, of course, in accordance with the wishes of the majority of the people, long voiced in the Representative Assembly and in the Legislative Council. But, Sir, this House will excuse me if I say that this Bill was received by me with a certain amount of disappointment.

Sir, I also have to observe that tortuous acts have not been well provided for in the Bill. It is why Mr. M. C. Ranga Iyengar emphasised this point, *viz.*, that the rights which are inherent in the people are not settled by any contract and there is no remedy if these rights are infringed. Hence the police example by him. Of

course, the Hon'ble Mover has pointed out that in the special Regulation relating to the Police Department there is provision already made for redress. But that alone is not sufficient. The very fact that such a provision is made in the Police Regulation proves that the natural rights of respectful citizens may be infringed by any Government Officer who may like to take into his head to do so. So, I think I am right in saying that there is no remedy for tortuous acts committed by Government. This is what I had in my mind when I said that I received the Bill with a certain amount of disappointment.

But as my learned friend Mr. Ramachandra Rao who was in a way responsible at least in this council for this Bill and whom I had the good fortune of seconding in his proposition, has thought it fit to accept this Bill as a matter of grace, I am also of opinion that we must really be thankful for the steps taken by Government. Let us sincerely hope that Government will see their way to provide for the grievances which I have tried to point out just now.

I may also venture to make another remark. In this connection, I find steps are taken to amend the Civil Procedure Code. It is in the usual course of things quite necessary to amend the Civil Procedure Code if the rights given in the Bill are accepted. It is only an adjectival law in order to give effect to the new procedure.

I think there is another measure in the amendment, and that is in connection with the Limitation Regulation. As far as I have tried to read the Limitation Regulation I believe the period fixed is not already provided therein. I do not think we can have found fault with the authorities, because there was no question of providing for periods for suits against Government. Now that the State has thought it fit to confer the right of suit against Government, it is necessary that amendment should be proposed in this respect also.

I think I am voicing the opinion of the members of this House when I say that we are all thankful to Government for introducing this measure and although I have tried to point out certain defects which ought to be provided for, I hope that the members of the Select Committee would provide for some more grievances which are not mentioned in this Bill.

With these observations, I heartily support the Bill.

MR. D. VENKATESAIYA.—I agree with Mr. M. C. Ranga Iyengar and I am rather surprised to hear from Mr. Ramachandra Rao that this is a comprehensive measure to suit almost all cases of obligations that the Government might be under, to their subjects. No doubt the Bill provides for a number of obligations arising from contractual relations, but as observed by Mr. Vijaya Deva the obligations arising from other sources namely, torts and quasi-contracts are not sufficiently provided for.

MR. MIR HAMZA HUSSAIN.—Quasi-contracts have been provided for in the Bill.

MR. D. VENKATESAIYA.—All cases of quasi-contracts, I submit, are not sufficiently provided for. The relations arising from contracts which the Contract Act does not provide for are not mentioned here. Especially the rights that are given here are not likely to be broken. No Government will be foolish enough to break contractual relations very easily and we are not likely to get any substantial relief from this measure alone. It is the relief arising from torts that we seek most. On the whole, I am very much thankful to Government for giving relief at least to the extent they have now done.

MR. B. V. RAMASWAMI CHETTY.—SIR, I do not understand why Government should be held responsible for tortuous acts committed by officers. If tortuous acts are committed by officers they do them on their own responsibility and they must be held responsible for such acts. I do not think that our Government is so bad as to be inclined to instruct its officers to commit such acts. So we need not think of this aspect of the question.

Coming to the question of contractual relations, I shall be satisfied if it is provided in the Regulation that suits will lie against Government. In regard to limitation point raised by Mr. Vijaya Deva, I think his view is incorrect because there is no difference between suits filed against Government and those against private individuals. The Limitation Regulation clearly states what suits can be brought against private people. The same provision suffices for suits which can be filed against Government. Government is in an advantageous position only in

cases of land dispute because 60 years must elapse. In all other cases there is no difference whatever.

Mr. Ranga Iyengar expressed the view that there must be definiteness in the provisions of the Bill which the Government are going to pass. I do not know what made him think so. It may be that he considers that provision is not made in the Bill for suits against Government, in certain cases. In any case he has not made that point clear. He referred to suits which can be filed against Government for the tortuous acts committed by the nominees of Government. In such cases, Government can only be held responsible if in the discharge of their duties and under instructions from Government they commit such acts. Otherwise they do it on their own responsibility. The principle of the Bill is acceptable and I do not think that the non-official members will oppose it. Let us not think about what Government have failed to do. Government deserve praise for what they have done. Under the old Civil Procedure Code there was provision to sue Government, but when it was amended that provision was somehow deleted, and people were deprived of their right to sue Government. There was a practical instance (a municipal case) in which the Court dismissed the suit. In that case I appeared on behalf of the Municipality when I was acting as Municipal Advocate and Mr. Doraswami Iyer on behalf of Government. Mr. Plumer, District Judge dismissed the suit against Government on the ground that there was no law which justified suits being brought against Government. Mr. Ramachandra Rao is not wrong in saying that this Bill embodies all that is necessary at present. He seems to have bestowed more thought and concentrated his attention on the subject as it was he who moved the resolution and was in touch with every detail of the Bill. I have therefore no hesitation in supporting the Bill.

Mr. G. Paramasiviah.—I regret I did not understand the previous speakers, especially with regard to their objections regarding the form in which this Bill has been brought before this House. If they had supported their contention with some definite illustrations, they would have made it more intelligible to the members of this House. Any piece of legislation should be as simple and definite as possible and I think that the present Bill, instead of mentioning that which we ought not to do, says things which can be done and avoids all sorts of complications arising out of the various interpretations by the courts of law. I think it is necessary that the Bill should remain in the present form in which it has been brought. Moreover the Government themselves have been pleased to say that for the present this is comprehensive enough and if any new cases are brought to their notice they will take them into consideration. Therefore, instead of opposing the Bill at this stage we may watch the working of the measure for some time. I take this opportunity of thanking the Government of His Highness the Maharaja for having kindly conceded this right to the people.

Mr. N. S. Nanjundiah.—Sir, there can be no two opinions as to how the people appreciate the spirit with which this Bill has been introduced and the principle that underlies it; and although there have been some differences in the shades of thought that have been expressed as to the mode in which this Bill ought to have been prepared, I am sure there will be no disagreement as to its being passed in this House. There are, no doubt, in dealing with cases of this kind-particularly one of a somewhat original kind-two possible ways. One is by providing in the positive, cases in which suits can be allowed against Government and the other by expressly reciting the nature of suits which are prohibited. In choosing between the two, considering the interval that has elapsed between the first announcement made in the Representative Assembly and the date on which this draft Bill was placed before the public, I am inclined to think that the Government have bestowed a great deal of thought in coming to a conclusion as to which was the course that had to be adopted.

As observed by Mr. Paramasiviah, now that we have the Bill on hand it is worth our while to accept it with grace and make up the dificiencies in due course as far as possible, instead of attempting at this stage to oppose it on the ground that it does not make mention of cases in which suits against Government can be prohibited.

As observed by the mover, I am one with him in thinking that it is not quite exhaustive and does not satisfy the requirements or aspirations of the people. The Bill now provides for a few classes of cases only, and so far as contracts and

breaches thereof are concerned, I do not think it leaves anything yet to be supplied, as contracts whether express or implied and damages for the breaches thereof, etc., are expressly provided for in the list that is now incorporated in this Bill. But apart from this what I beg respectfully to submit is that we expect something more should be conceded to the people.

It was observed that under the Police Regulation provision had been made for *suits for damages in cases of vexatious arrests.* So far as I remember the provisions of the Police Regulation the *Regulation contains provision-only for a criminal case* being brought against a Police Officer and the provisions also go to show that no Police Officer can be sued for vexatious arrests in any court of law for any act committed by him *bona fide.* I am not aware that any provision has been made in the Police Regulation for any damages being awarded or for a civil suit being filed in civil courts for offences of unauthorised acts of Police and I shall certainly be obliged if a provision of the kind is to be found. Otherwise I am inclined to think that some provision for cases of that kind ought to be made in the Bill on hand.

Many of the local and special laws that are now in force provide in most of the cases that no suits shall be filed against officers for any act in good faith done or intended to be done, and it is taken for granted that they are done 'in good faith'. The expression 'good faith' does not find a definition in any of the acts except in the Indian Penal Code where due care and attention is insisted on. But in the other Regulations the expression is not defined and the General Clauses Regulation which defines the expression 'good faith' does it rather in a treacherous way. That definition does not make the existence of due care and attention imperative but is content with honesty in doing an act even though it be accompanied by negligence.

I will give another instance, namely the State Life Insurance Regulation about which we had a lot of discussion in this House. In cases of wrong payments of bonus, the provision in the Regulation is that no suit can be filed against the President of the Insurance Committee, and if no suit can be filed against Government, the man who is rightly entitled to payment has no remedy whatever. The question arises whether a suit can be filed against the Government. So far as I see from the list of cases narrated in the Bill, I do not find that a case of this kind has been provided for in clause 2 of the Bill.

More than these, what I particularly submit is that a provision must be made for a civil court sitting in judgment over the executive acts (*ultra vires*) that may be committed by Government. I know that in the preliminary speech of the Hon'ble Member of Council he gave us to understand that even in enlightened countries like America, the unrestricted right of suit against Government had not been provided for. I beg to submit that in Mysore we stand entirely on a different footing, and we feel with Government, and the Government feels with us, and we both feel that our interests are mutually indentical; and therefore it would be fair that both of us should be prepared to be bound by an impartial and independent judicial judgment of an independent judiciary. I strongly urge it for the consideration of the Select Committee, or the Government itself may be pleased to concede this privilege, namely, that the people and the Government should both submit to the judgment of an impartial judiciary, and a provision therefor made herein, so that we may have this privilege even in cases where we have to complain of the executive acts of Government which may be *ultra vires* in respect of which, till now the people are left without any remedy. There may be cases in which the illegal levy of cess or of taxes are involved; and in such cases also we must have an opportunity of filing suits.

I strongly urge that the Government must be prepared to submit its executive acts *ultra vires* to the impartial judgment of an independent judiciary and this will give unbounded satisfaction to the subjects of our model State.

MR. MIR HAMZA HUSSAIN.—Sir, it gives me very great pleasure to find that the general principles of the Bill have been approved by all the members, especially by the non-official members who have given expression to their opinion on this matter. I would like to explain only one or two points. I do not wish to go into detail with respect to the objections offered by certain members because, whatever points they have urged will be noted and will be placed before the Select Committee. As regards the form of the Draft Bill, I might explain that it was carefully

considered when it was drafted. The point that engaged our attention was whether we should adopt the positive or the negative form and the drafts in both the forms were prepared and considered not only by myself but by some other friends also. The difficulty that we found in adopting the negative form was to state definitely in what classes of cases a suit cannot be filed against Government. Personally I preferred to have it in the negative form but when the question came up as regards the classes of cases in which it will not be advisable to concede the right of suing Government, I found it impossible to enumerate the cases and had to give up the negative form. However, I shall not have the least objection to redraft it, if necessary, if in the Select Committee we will be able to frame a proper list of cases in which the right to sue Government cannot be recognised.

As regards the criticism of Mr. Vijaya Deva, I do not think he has carefully gone through the provisions of the Bill. Of course, in some instances provision is made for the tortuous acts of Government and that comes under clause I, Section 2. But generally, as a matter of fact no Government servant can be liable for any tortuous act performed by him in the discharge of his duties. Only the other day this question was raised by a certain gentleman in the Representative Assembly. I also asked him to point out under what system of law or in what countries were persons committing such acts in the discharge of their duties liable for damages and I have not been favoured with a reply as yet. However, we shall consider that point also in the Select Committee.

Mr. Venkatesaiya referred to the question of quasi-contracts and stated that sufficient provision is not made in the Bill under that head. I would like him to refer in detail to sections 70 to 74 of the Contract Act where instances are given relating to contracts. I am sure that if he looks into the sections he will find that the subject matter of these sections does not apply to Government and therefore no provision can be made for suits in respect of them in this Bill.

I must thank the members for having expressed their satisfaction at the way in which the Bill was framed and for having accepted it in toto.

DEWAN.—Before putting this motion to the vote, I wish to express a word of appreciation on behalf of Government for the sentiments that have been expressed by the non-official members. This very complicated and somewhat controversial matter has been under consideration for the last nine or ten years and as the Honourable Member in charge of the Bill has already explained to the House, it is not altogether an easy matter to decide as to what form of legislation this Bill should take. We have had a very interesting discussion and I daresay that at a later stage the general principles involved will be more thoroughly examined; but it is gratifying that the underlying principle is accepted, the schedule of cases in which Government are now pleased to concede the right to sue has been generally approved, and therefore the first stage has not met with any opposition. I hope the Bill before the Select Committee will be thoroughly examined and if there are any constructive suggestions made at the Committee which will improve not only the character of the Bill but also provide a better mode in regard to the procedure and any other matters. Government will be only too pleased to accept them.

The motion was then put to vote and was carried.

MR. MIR HAMZA HUSSAIN.—I beg to move that the Bill to provide for suits against Government be referred to a Select Committee consisting of:—

1. RAO BHADUR M. C. RANGAIENGAR.
2. MR. K. MATTHAN.
3. MR. M. RAMACHANDRA RAO.
4. MR. PARAMASIVIAH.
5. MR. B. N. VIJAYADEVA.
6. MR. D. VENKATESAIYA.
7. MR. H. VENKATARAMAIYA.
8. MR. B. V. RAMASWAMI CHETTY.
9. MR. K. SHANKARANARAYANA RAO, AND MYSELF.

MR. K. SHANKARANARAYANA RAO.—Sir, I beg to second the motion.

The motion was then put to vote and carried.

3. Bill to further amend Civil Procedure Code.

MR. MIR HAMZA HUSSAIN.—Sir, the Bill further to amend the Civil Procedure Code which I now beg to introduce is auxiliary to the previous one relating to suits against Government and was placed before the Representative Assembly along with it for discussion. Its object is to enable the Courts to take cognizance of suits against Government in cases in which this right is proposed to be conceded. For this purpose certain amendments are necessary in Part IV of the Civil Procedure Code and the Bill is designed to effect these amendments.

I move that the Bill be read in Council.

MR. K. SHANKARANARAYANA RAO.—I have only to add that the several amendments proposed here are intended to bring Sections 70 to 82 of the Civil Procedure Code into line with the corresponding Law in force in British India relating to suits against Government. I therefore beg to second the motion.

MR. M. C. RANGA IYENGAR.—This is merely a consequential measure and is introduced to give effect to the Bill providing for suits against Government.

The motion was put to vote and carried.

MR. MIR HAMZA HUSSAIN.—The Bill further to amend the Civil Procedure Code has for obvious reasons to be considered along with the connected Bill relating to suits against Government and I beg to move that it be referred to the same Select Committee.

MR. K. SHANKARANARAYANA RAO.—Sir, I beg to second the motion.

The motion was put to vote and carried.

4. Bill further to amend the Mysore Excise Regulation.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to introduce the Bill further to amend the Mysore Excise Regulation. The term "intoxicating drug" as now defined in the Regulation does not include drugs, such as synthetic eucaine, which have a similar deleterious physiological effect as those derived from the coca plant. The object of the Bill is to bring such preparations within the purview of our Excise laws. The definition of 'intoxicating drug' is therefore proposed to be amended accordingly in clause 2 of the Bill and with a view to simplify the definition, the terms "Hemp Drugs" and "Cocains" are separately defined in clause 1.

On account of the urgent necessity for effecting these amendments the Bill has been published under Rule 32 of the Rules of Business and I now beg to move that it be read in Council.

MR. K. CHANDY.—Sir, I beg to second the motion.

The motion was put to vote and carried.

MR. MIR HAMZA HUSSAIN.—Sir, as the Biil further to amend the Excis Regulation introduces a few changes only in the interpretation clauses of the Regulation, it is unnecessary I think to refer it to a Select Committee. I therefore beg to move that the Bill need not be referred to a Select Commitee.

MR. K. CHANDY.—Sir, I beg to second the motion.

The motion was put to vote and carried.

5. Bill to amend the Mysore Income Tax Regulation.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to move that the Bill to amend the Mysore Income Tax Regulation of 1920 be read in Council.

In moving for leave to introduce the Bill at the last meeting of this Council I referred briefly to its scope and object. The Bill has since been published with a statement of objects and reasons explaining more fully the main changes which it is designed to introduce in the existing law on the subject. As copies of the Bill are in the hands of the members, I do not propose to take up the time of this Council by dealing with the detailed provisions of the Bill.

As I stated on the last occasion, the object of the Bill is two fold *viz.* (1) to adopt the improvements recently effected in British India in the matter of the basis and mode of assessment and the machinery for the administration of the income-tax law, so far as these improvements can be introduced with due regard

to the conditions of Mysore; and (2) to provide for the levy of a supertax on incomes exceeding Rs. 50,000 per annum.

As regards the first of these objects, the changes proposed to be introduced will I am sure be welcomed by the assessees. By the adoption of the system of final assessment on the basis of the preceding year's income, the assessees will have to pay the tax on the income actually realised by them and the hardship under the present method of assessment of their having to pay the tax on income which they may not realize and then obtaining a refund or a set off will cease.

Under the present Regulation agricultural produce is not exempt from income-tax if the cultivator or receiver of rent in kind keeps a shop or stall to vend the same. It is proposed to remove this distinction and extend the exemption to all sale proceeds provided that the agricultural produce has not been subjected to any process not ordinarily employed to render it fit to be taken to market. Under the head of exemptions, I may also mention the consideration proposed to be shown with regard to incomes of joint Hindu Families. Under Section 13 read with Section 12 (1) of the present Regulation a member of a Hindu undivided family is in no better position than a share-holder in a company or a partner in a firm. First, the income which he enjoys as a member of such family is treated as part of his individual income chargeable to income-tax unless the family itself is liable to the tax. Secondly, such income is liable to be taken into account in determining, the rate at which he is liable to pay the tax as an individual assessee, whether the family is assessed to the tax or not.

This is felt as a hardship. Clauses 14 (1) and 16 of the Bill remove this hardship by providing that such income shall neither be charged with the tax nor included in the total income of the individual members of the family, whether the family itself is liable to pay the tax or not.

The provision in clause 66 (3) of the Bill enabling the assessee to apply to the Chief Court direct if on his application to the Commissioner the latter refuses to make a reference to the Chief Court, is also a distinct improvement, considering the fact that under the present Regulation it is not open to the Chief Court to interfere except upon a reference made to it by the Chief Revenue Authority.

I need only refer to one other matter for which provision has now been made for the first time and it relates to assessees liable to pay income-tax both in Mysore and in the United Kingdom. In such cases the British Finance Act of 1920 provides for relief to the tax-payer to the extent of one-half of the appropriate rate of United Kingdom tax. But in the event of the Mysore rate of tax exceeding one-half of the United Kingdom rate, he will be liable to double taxation to the extent of the difference. To meet such a contingency clause 49 of the Bill provides for a refund of the amount of such difference subject to a limit of one-half of the Mysore rate. A similar arrangement has been adopted in British India and it is considered, equitable to provide for it here also.

As regards the super-tax no special pleading is required to justify its levy, as the members are fully aware of the financial condition of the State and the necessity for improving the sources of revenue to meet the increasing demands of the administration in spite of the strenuous efforts of the Government to reduce expenditure as far as possible. Besides there is no reason to apprehend that it will entail undue hardship on the individual tax-payer. There are very few individuals in our State, not more than 15 in number, who are in receipt of incomes of Rs. 50,000 and more they can very well affod to pay this extra tax.

In this connection I have to invite the attention of this House to the slight changes made in the rates of income-tax and super-tax. On the last occasion I stated that no alteration of the rates of income-tax was contemplated in respect of incomes not exceeding Rs. 50,000 and that the super-tax would vary from 6 pies to three annas in the rupee. On further examination it is found that the number of assessees that would be liable to pay super-tax is so small that it would unnecessarily complicate matters to have an elaborate schedule of rates for different classes of assessees and according to different grades of income. A uniform rate of one anna in the rupee is therefore proposed. In consequence of this revision and in order that the scale of income-tax may fit in with the super-tax, the rate of 9 pies in the rupee is proposed for incomes between Rs. 40,000 and Rs. 50,000 and the maximum rate of one anna for incomes amounting to Rs. 50,000 and upwards.

With these remarks, I beg to commend the motion for the acceptance of this Council.

MR. K. CHANDY.—SIR, I beg to second the motion.

RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY C. I. E.—SIR, I rise both to support and oppose the Bill. The Bill appears to be innocent enough from its nomenclature. No one can have any serious objection to the provisions of the Bill in so far as they aim at removing the inconveniences and hardships caused by the present system and introducing changes calculated to simplify the administration of the Income Tax Law. But there is a skeleton in the cupboard, the levy of a super-tax on incomes in excess of Rs. 50,000. New the Government frankly state the reason for this as the straitened finances of the State. I may be permitted to claim some knowledge on this particular point having had the privilege of examining the State Finances in a Special Committee composed of Official and non-official gentlemen. The Report of the Special Finance Committee tells a tale and points a moral which he who runs may read. I fully admit that the financial needs of Government are clamant and that not all the retrenchments that have so far been effected nor the additional taxes contemplated will help to balance both sides of the Budget. Something more must be done and the super-tax is one of the means designed to rectify the position. Now let us examine the nature of this tax and how it would affect the State as a whole. It is barely 18 months since the first levy of Income-tax was made in this State. It has not had sufficient time to become established in the minds of the public as a just measure of taxation. And to follow it upso soon with a super-tax is not likely to inspire public confidence in the fiscal measures introduced by Government. There are two questions which the members of this Council must see clearly answered before according permission to this measure. They are, the necessity for the imposition of the super-tax, and is the time opportune to the present levy. Now what will be the direct effects of the imposition of a super-tax of 6¼ per cent in addition to the 6¼ per cent. Income-tax on Industrial Companies, Capitalists and trade generally.

Our trade external as well as internal, is to a very great extent in the hands of outsiders. Both on account of their knowledge of outside markets and their financial position they have been able to considerably increase the total volume of trade. In the absence of statistics we cannot venture to state the total number of such merchants who will pay super-tax nor the total income which can be realised from this source. When the super-tax is introduced it would be a serious shock to our trade as a whole, as the Capital now financing it will be diverted to other channels. Let us take as an illustration the trade of the country in piece-goods. Bangalore may be regarded as the centre of the trade in piece-goods in South India. After the introduction of Super-tax, Bangalore will cease to enjoy that position. Other instances in point are our trade in hides and skins, silks, forest produce etc., etc. The super-tax will have the same effect as the imposition of a *high tariff*. If our country had highly developed industries there would have been some satisfaction in restricting our foreign trade in raw materials with a view to render them available at cheap prices to meet the requirements of our industries. But unfortunately, we have not such industries at present nor is there any probability of their coming into existence in the near future. If our export trade is thus adversely affected by the super-tax scaring away outside Capital, our import trade will also automatically contract to the same extent. As a further consequence our internal trade will also suffer. Our state is a landlocked country and our trade is capable of considerable expansion and such expansion can only be the result of progress extending over a series of years. The super-tax will act as a set back and our trade in general will contract both in volume and value.

The proposed tax will also hinder our Industrial development. There are only a few industries which can be developed in our country so as to reach the factory stage of production. To bring such industries into existence large Capital, skilled labour, and machinery are required. For some years to come there should be sufficient encouragement offered to Capitalists who intend launching such enterprises. There are various ways in which sufficient encouragement may be offered *e.g.*, grant of subsidies, loans, concessions to secure raw materials etc. We are not able to offer such encouragements to the intending pioneers of industries owing to the straitened condition of our finances. Per contra, it would be indeed a boon to them and to the country as a whole if we do nothing to discourage them in their enterprises.

The total number of Joint Stock concerns in the State which are well organised and capable of doing business on a respectable scale are very few. The super-tax will fall very heavily on them as it will result in the serious curtailment of dividend. The Capital required by these concerns is largely obtained from investors of moderate means. If they apprehend that the return they get for investing their savings is likely to diminish they will cease to invest their savings in such enterprises. Owing to the prevailing depression in trade, money market has become very tight. If in addition to this, the small investors are discouraged in subscribing to the shares of Joint Stock concerns, the condition of these would go from bad to worse and it would be no wonder if for want of sufficient Capital, they are compelled to have recourse to liquidation. The same holds good in the case of private companies, partnerships both registered and unregistered. The super-tax will come in the way of promoting large scale industrial enterprises in the State of which the Government are so solicitous.

Our country being chiefly an agricultural country and our agriculture depending largely on monsoons, an extremely uncertain factor, the people should have as many diversified occupations as possible without entirely depending on agriculture. Such diversified callings are possible only when there are in the State many industries small or large.

The prosperity of the labouring classes and artisans especially in our large towns is closely connected with the employment of capital. Though we cannot dogmatically lay down the exact relation that ought to exist between capital and labour, it cannot be denied that it is only capital that can lead to the proper employment of labour in more productive channels. There is thus a strong need for the harmonious working together of capital and labour for mutual advantage of both. If the investment of the capital is restricted owing to the levy of the super-tax, labour will to the same extent cease to be employed profitably.

If the super-tax is judged by its yield there would be no justification for its imposition. Even according to a very generous estimate, the total number of individuals, partnerships, companies etc., that can pay the tax cannot exceed 10 to 12. Is the income realized adequate for the trouble undergone and the harm done to the society in the several directions. It is true that all taxes are treated as necessary evils, but this particular tax cannot be justified as the rest now in vogue are on the ground that they yield a handsome income to the Government.

It is well known to Government that a severe trade depression exists to-day. Failures have been numerous and the end is not yet in sight. The cost of living holds out no prospect of cheapening. Capital is scarce as the high price of it shows when the Government have to pay so much as 7 per cent for their requirements. Why then adopt a policy that cannot but hinder its flow into the State or its accumulation. The policy of the State has hitherto been a liberal one; encouraging the bringing out of private capital for the development of its trade and commerce as well as by the grant of special concession for the development of new industries. Will the imposition of a 12½ per cent tax on profits encourage such development. Is it not preferable to give full employment to labour, larger revenues to Municipalities and State exchequer and more traffic to our railways than to stifle the enterprises of both local and outside capitalists? It is easily conceivable that expensive management will become the order of the day if only to prevent profits exceeding the border line of half a lakh of rupees. Is it likely that industrial concerns will themselves bear the additional taxation and not put it on the price of goods manufactured or charge a higher rate of interest for money thus transferring it to the shoulders of the poor people? Will there be any inducement to share holders to consent to any increase in capital if such additional capital is to be first subject to a tax of 12½ per cent? On the other hand, it would be more advantageous to industrial companies and banks to borrow funds for a definite period than to increase their capital. For example, it would be more profitable for a bank to pay its depositors 7 per cent interest per annum than to pay 12½ per cent tax on profits earned from capital money. The net profit to a bank on a deposit may amount to 3 per cent to which extent it would be liable to pay income-tax and super-tax to Government. But if fresh capital were raised it would on the same basis pay these taxes on the full profit of 10 per cent. In the former case, the interest paid to the depositor is charged to profits to arrive at the net profit, but not so, in a capital investment. There will thus be no encouragement to raise fresh capital but more likely there will be a raising of the value of money in the State which would seriously affect not only the

prevailing market rate for money but also the future public borrowings of Government. The policy of Government should be to cheapen money in the State. In contrast to the contemplated action of Government, I may cite the instance of the sister State of Hyderabad where there is no income-tax and which has resulted in wealthy capitalists starting numerous industrial concerns all benefiting the people and the Government of that State. In passing, I may mention the serious effects which the imposition of the super-tax may have on the Gold Mining Industry which yields a handsome return to the State.

In making this protest, I must not be understood as advocating the interests of capitalists, but I take my stand on the broader base of the welfare of the State and its peoples as a whole.

In concluding we may summarise the chief objections to the imposition of super-tax as follows:—The imposition of the super-tax constitutes a serious obstacle to the growth and accumulation of Capital in the State and it also will affect the flow of capital from outside. The growth of capital depends to a great extent on the inducement the subjects of the State will have to save as large a portion of their earnings as possible to invest such savings for future use and the moment such savings, which are made only by a few in the society are singled out for taxation, the incentive to save and to invest is weakened to great extent. The effects of this tax on our trade and industries are so far reaching that it would be unwise to ignore them at the outset. Though we cannot determine the proper relation that should exist between capital and labour, no one will deny that in our State for some time to come the employment of labour in more productive channels is governed by the unrestricted flow of capital into these channels. Further both with regard to its incidence as well as its yield the levy of the super-tax cannot for a moment satisfy all the requirements of a well devised scheme of taxation. The immediate effect of such a taxation will be a great fall in the present value of shares, which will indirectly set back the further industrial movements in the State at least for a decade, which is a retrograde step considering the economic conditions of the people in the State.

To the popular mind the application of a super-axe and not the imposition of a super-tax would appear to be the more desirable measure in the present sick state of our finances, but I would not go the length of saying this, knowing that the Government are doing their best to tackle the problem of effecting retrenchment and economy in the public expenditure. But I would strongly urge the abandonment of the proposed levy of super-tax or at least postpone it for a number of years until conditions become more stable.

Mr. M. C. Ranga Iyengar.—Sir, I rejoice that the Government have taken a very early opportunity of amending the Income-tax Regulation. When it was first introduced less than two years ago, I moved quite a large number of amendments. One of the amendments that I proposed was that the Income-tax Bill that was then introduced should be provided to last only for a period of about two or three years to enable the Government to bring this matter again before the Legislative Council. My object was that some provision should be made in the Income-tax Regulation that the Bill should automatically and periodically come before the Legislative Council once in two or three years so that more experience which would have been gained in the interval might be used for further improving it. That amendment was thrown out. In this new Bill now I see improvements in a few respects; but at the same time I cannot shut my eyes to many of the objectionable features that are still retained in the Bill. Eighteen months ago I proposed that the assessee should have a right to insist on a reference to the Chief Court. Then the official majority of the House threw out the amendment on the ground that it would prove disastrous to the country. Now more light seems to have come to the members of Government and now they see the desirability of introducing this provision. I am glad it is so and congratulate the Government. There are a number of provisions in the Bill which require careful consideration. In regard to super-tax, I fully concur with what my friend Mr. Puttanna Chetty has said and it seems to me that at the present stage the economical and Industrial advancement of the country will be adversely affected and therefore it is not desirable to have the super-tax levied just now.

RAO SAHIB H. CHENNAIYA.—I beg to state that the question to be considered in regard to the Bill for the levy of super-tax now before this House is not only one of necessity, but also of equity. Income-tax is tax which is imposed in all the civilised countries of the world. Although there are some objections in regard to the levy or collection of the tax on the ground that it is inquisitorial, etc., still it cannot be said that it is an unjust imposition. When certain classes of people are required to pay certain taxes and others do not contribute towards Government funds for meeting the various expenses of the administration of the State, I think the levy of this tax cannot be properly objected to. I cannot see how this will have any prejudicial effect on the trade of the country, or the commercial classes or Industrial concerns. It is only when profits are realised to the extent stated in the Bill that that the tax will be imposed. It will take sometime in the case of industrial concerns to realise any profits, and until the minimum taxable amount of profits is realised, they would not be required to pay the super-tax. And in the case of individuals who are in receipt of income to the extent which allow of super-tax being levied, I can see no justification for not charging such tax. The raiyat classes are required to pay various kinds of taxes, and I think it is but right that those who do not pay similar taxes but who derive large incomes from other sources than agriculture should come forward to the relief of Government in the present financial stress.

With these observations I heartily support the Bill.

MR. K. CHANDY.—Sir, with the permission of President I wish to offer a few remarks on the observations made by Mr. K. P. Puttanna Chetty. It seems to me Sir, that these observations are mostly due to a misconception of the facts; and it is very unlikely that the imposition of super-tax would stifle the trade of the Country.

This House, I believe, is aware that the super-tax is, as a matter of fact, paid at a much higher rate in places where trade and industry are very much in advance of Mysore. I think, I told the Representative Assembly when the question was introduced there, that in America a single proprietor of an ordinary type of cars gets an income which is about ten times the income of the Mysore State and out of that income just one half is paid by him in the form of tax and super-tax; it is quite unsound to say, judging from the trade and industry of the other countries, that by the mere imposition of the tax, the trade or the industries of a country would decline.

In the second place, I am not sure if it is quite clear to the speakers that super-tax is paid only on the difference above the ordinary rate. That is, if a man's income is Rs. 70,000, he does not pay, as Mr. K. P. Puttanna Chetty seems to argue, tax at 12½ per cent on the whole of this amount, but super-tax is levied only on the difference between Rs. 70,000 and Rs. 50,000, *i.e.*, on Rs. 20,000 so that the actual tax that he pays would be only a little over 1,000 Rs. and by the payment of that small amount in excess, I am sure, that the industry or the trade of the country would not disappear.

In the third place, this House is aware that both our rates of income-tax and the rates of super-tax have been fixed at a lower level than in British India and as such there is no chance of our traders migrating to British India on account of the imposition of this tax. This is an important consideration which the House would have to bear in mind. I have no apprehension that the trade or industry of a country would decline on account of the levy of these taxes. The traders cannot think of migrating to British India, as they will have to pay heavier taxes there than here.

It is quite true that no tax is levied in the Hyderabad State; but I do not think it possible for our merchants to migrate to that State all in a body.

Then again, I have mentioned in this House before, and I wish to mention again, that by the imposition of this tax, the persons that are likely to be affected, as mentioned by the Hon'ble Mover, may not exceed 15 in number. Even this figure, I know, is likely to go to down to 10 and will probably be less than 10.

As regards the companies, it is not open to me to divulge information. I may assure this House, however, that the companies that are likely to pay super-tax, at least companies from whom we expect to get 90 per cent of this income, are none of them likely to migrate from Mysore on account of the imposition of this tax.

The amount that we expect by the imposition of this tax would be, at a very reasonable calculation, not less than Rs. 6 lakhs and it may perhaps be even more and this amount, as I said, will be recovered from some very large companies and a few individuals.

If we take statistics of persons paying income-tax, we will not fail to find that most of the tax is paid by people who are not Mysoreans and practically, the whole of the super-tax will be paid by such people. As I stated, the rates in British India are higher than what is proposed here and there is no justification for our treating them much more generously. Whatever we give up will be liable to tax in British India in the case of these foreign companies and merchants. I may even say that some people were surprised to hear that we had not imposed super-tax in the State yet.

Regarding the effect of super-tax on banks, I have got to admit that the Dewan Bahadur has scored a point but in view of the advantages this small disadvantage has to be ignored.

MR. K. P. PUTTANNA CHETTY.—What about mills and new concerns?

MR. CHANDY.—By the time that they have to pay super-tax, they will be well established. I am sure that the imposition of this tax will not stifle the trade of the country because it will take a long time for such concerns to pay this tax.

It will be open to the select committee to fix the rate higher or to reduce it. At present we are considering the principle of the imposition of the super-tax.

With these remarks, I support the motion.

RAO BAHADUR M. SHAMA RAO.—It appears to me that the arguments advanced by Mr. K. P. Puttanna Chetty are applicable to the whole system of income-tax and does not apply particularly to super-tax.

The foreign trade, the previous speakers said, was in the hands of outsiders and that is exactly the reason why we should impose super-tax. It is stated that by the imposition of this tax, the value of shares in the banks and value of property would go down. This is true with all kinds of taxation. When land tax is imposed, the value of land goes down to some extent; when house tax is imposed, the value of houses goes down and the same argument applies to the levy of super-tax as to the other taxes.

Then again it is stated that capital cannot be accumulated, and that concerns may have to spend more on establishments etc., to show less profits. The same holds good in the case of other concerns also.

The imposition of super-tax has this merit that we shall at least be able to wrest a portion of the money going out. Therefore, I am in favour of this Bill.

MR. ABBAS KHAN.—The Bill is introduced in order to remove certain inconveniences and hardships caused by the system of provisional assessment and to effect other changes calculated to simplify the administration of Income-tax. We were besides assured that except the question of super-tax, the ordinary rates will not be enhanced, but we find from the schedule of rates proposed to be introduced some material changes have been made so as to affect the interest of an assessee.

Hitherto we were paying at the rate of 6 pies in the rupee up to the maximum or Rs. 50,000. Now this has been reduced to Rs. 40,000. 9 pies in the rupee was being paid up to the maximum of Rs. 75,000 till now and the maximum is now reduced to Rs. 50,000. For an income between 40,000 and 50,000 the rate of tax is increased from 6 pies to 9 pies and that for an income between 50,000 and 75,000 the rate of tax is increased from 9 pies to one anna. Further we find that a new clause has been added to charge one anna in the rupee for an income of Rs. 2,400 in cases of companies and registered firms, while the rate in cases of others is only 3 pies. There is no justification for the enhancement of these rates in spite of the assurances given by Government.

Then comes the question of super-tax itself, the necessity for which has been felt on account of straitened conditions of the finances of the State. Permit me to state that the mind of the public is being largely exercised on this account. Just at the time when the Mysoreans have commenced to start large industrial concerns, the introduction of this tax will greatly hamper their operations. If this tax cannot be avoided, at least its operation may be suspended for the time being.

MR. M. RAMACHANDRA RAO.—Sir, I wish to say a few words on this Bill; I am in the same happy or unhappy position as my revered leader Mr. K.P. Puttanna Chetty. Some portions of the new Bill are no doubt unobjectionable. They form an improvement on the existing Regulation, but other portions of the Bill, such as those relating to super-tax, are objectionable.

I have come across a large number of cases in my professional capacity in which people have really been feeling the hardship caused by the Income-tax Regulation. It may be in the working of the Regulation that hardship is caused, or it may be on account of the ignorance of the assessees in the matter of keeping regular accounts which would satisfy the Income-tax authorities. Whatever the reason may be, that there is hardship in the working of the Income-tax Regulation, I do not think, any one acquainted with the feeling of the country can deny.

I certainly welcome the provisions of the Bill which form an improvement on the existing Regulation. I would even suggest to the Hon'ble mover of this Bill that the unobjectionable portions of the Bill may be kept separate from the objectionable portions.

The previous speakers have already referred to the short period during which the Income-tax Regulation has been in force and to think of levying the super-tax within this short time, I respectfully venture to submit, would cause great hardship to the whole country. As I have already stated, the feeling of dissatisfaction is not now general but only confined to people of small incomes and if the super-tax is levied, the earning section of the whole country will become opposed to the Income-tax Regulation. I would ask whether it is advisable in such a short time to incur the opposition not only of people of small incomes but also of people whose voice will certainly be louder because of their larger incomes.

I do not think that the Honourable members of this House are ignorant of the general feeling of dissatisfaction now existing in the country. I must also admit that I very deeply sympathise with the present financial position of our Government. I would however request Government to once more consider whether it would not be proper for them to do away with the provisions relating to super-tax for some time to come, say, for a period of at least five years.

For these reasons, I support the Bill so far as the unobjectionable portions, therein are concerned, and with regard to the objectionable portions, I would request Government to reconsider the same once more before they think of proceeding further with the Bill in its entirety.

MR. B. V. RAMASWAMI CHETTY.—Sir, it is not the poor and the middle classes that would object to the levy of either the Super-tax or the ordinary Income-tax. On the other hand it is only the rich that agitate. Those who earn less than Rs. 2,400 need not be afraid of anything.

I cannot accept the arguments put forward by Mr. K. P. Puttanna Chetty who has pleaded so ably on behalf of the rich. It is only when large incomes are made by people that this tax is levied. Even there, this tax is not levied on the gross profits, but only on the net profits and the amount the people may have to pay will be very little after all. For example, if a net profit of Rs. 50,000 is earned by any capitalist, the amount of super-tax payable by him will be nearly Rs. 3,000, and this is not much. If such people wish to keep all their earnings to themselves, I should only consider them to be very avaricious. They should consider that this tax also is one of the legitimate charges on their income and incidental to their business.

Take the case of the Mysore Bank. A huge establishment is maintained there and in spite of that what is the income they are getting and what is the percentage of dividends they are declaring? I do not think that it is right on the part of the Mysore Bank to grudge to pay this tax.

If the Super-tax is not levied, how on earth is the Gevernment going to steer clear of the present financial difficulties? I do not think it is right to trouble the poor raiyats with additional taxation and let go the rich. By levying this tax, the Government will get Rs. 7 lakhs. I am sure that the Representative Assembly will not object to the levy of this tax. And I do not think that the members of this Council will object. I feel that the levy of such a tax is justifiable.

With these observations, I support the Bill.

MR. M. SUBBIAH.—Sir, I am afraid that the opposers of this Bill have not made out a clear case for not levying this tax. You know, Sir, the condition of our country. Education and other needs have suffered for want of funds and I think it is a mistake on the part of Government not to have thought of this tax one year earlier, in which case they would have increased the receipts by about 6 lakhs of rupees.

This tax will not affect any poor people and neither will it have any bad effect on the trade of the country.

What about Banks? They were useful once and now they are not. They charge double the interest they were charging some four or five years ago and marwaris who are lending money at the rate of 3 to 5% interest are making good profits. Why not these people be taxed? The companies that have been started here have been making lakhs and lakhs of rupees of profits and I do not think it is right on their part to grudge to pay a little tax. I do not think it would be a great hardship if annas two in the rupee is levied instead of one as at present.

Now you have thought of levying education cess from the poor people. They, the poor people, living from hand to mouth, do not grudge to pay half an anna on every rupee of their assessment. And why large concerns, and rich people, whose cases Mr. K. P. Puttanna Chetty is so very well advocating, should grudge to pay this small levy, I cannot very well understand. I think it is high time that some such tax should be imposed and the proceeds therefrom used for medical relief, etc.

MR. G. PARAMASIVIAH.—Sir, one of the arguments advanced against the levy of super-tax was that there was a long interval between the levy of Income-tax and the Super-tax in British India and that it is too early to think of this tax in Mysore. I think the Government might say as well, and they have a right to say that they cannot further postpone the levy of this tax, because the people of the State have been free from it pretty long. The longer the privilege the more is the craving to enjoy it for a longer period still. There is no justification in the arguments advanced by the opposers of this motion. When we were free from Income-tax for a long time, it is incumbent on us now to pay that as well as the Super-tax.

Moreover, even in western countries, the modern tendency is to call capitalists to the help of Government more and more than the other classes of people. Mr. Ramachandra Rao just gave expression to his experience regarding the levy of income-tax and its incidence on certain classes of people. I now appeal to the sense of this House to just imagine the feeling of the poor raiyat who has been asked to pay one anna in every rupee of land assessment by way of education cess and I want to know whether it is the poor raiyat or the company which gets lakhs of rupees of profits that should contribute towards the State funds for the common good of the country.

In the course of the arguments that were urged, it was also mentioned that it would have an adverse effect on the trade and industry of the country. It was also threatened that it would tend to increase the establishment of the concerns on which this tax would be levied thereby decreasing the amount of profits available for the levy of Super-tax. I think if the firms were to have more establishment and a costliar one just to avoid the tax, it will be only a penny wise and pound foolish policy. Because they have to pay super-tax, it does not mean that they should pay more to their employees. On the other hand it may tend to more economy and more efficient management of concerns.

When the Government feel so hard to meet the expenditure I think it is the duty of the capitalists to come to their help so that Government may not think of levying more tax from the poor people who are not capable of paying anything more. Whenever we think of levying a new tax, we have to take into consideration the amount that may be realised by the imposition of such a tax, and the class of the people who may be affected by it.

I do not think that any generous minded man getting super-abundant income will grudge to pay this tax, the proceeds of which will be spent for the benefit of the whole country.

For the above reasons, I heartily support the motion.

MR. ANANTAIAH SETTY.—Sir, I also think that, as Mr. Subbaiyya has stated the Hon'ble members of this House who are opposed to the levy of super-tax, have not made out a very good case. This super-tax affects only very few people and that too wealthy people. Such people should not grudge to pay the small amount of super-tax. (1-16th of their income or even still less).

One of the objections put forward by Mr. Puttanna Chetty was that burden will fall upon the people. I think it is incidental to every kind of taxation. Any kind of taxation imposed must fall hard upon the people. Even the Land Tax, the Municipal Tax and other taxes must tell upon the people and as such I do not think the rich people should grudge to pay the super-tax which they may have to pay according to the regulations. As Mr. Chandy has already explained it will not affect many people.

With these observations, I heartily support the Bill.

MR. ABDUR RAHMON.—In heartily supporting this Bill, I wish to point that the imposition of this tax will effect only such people who are making large income.

I support the Bill.

MR. D. VENKATESAIYA.—I am also tempted to speak a few words on this measure. The country will welcome it as a great measure of relief just at this time. One of the chief arguments of Mr. K. P. Puttanna Chetty was that the value of the shares in the Mysore Bank might fall down and that the dividends also may go down. It will be a great consolation to the people in country parts to hear that the value of shares in the Mysore Bank has gone down and that the dividends paid were less than 14 per cent. The Mysore Bank has affected the country parts adversely. There we used to get money usually at 8 per cent. The village sowkar has now understood that there is a Bank like the Mysore Bank which pays dividends to the extent of 14 per cent and is also anxious to go in for shares. The Mysore Bank shares are very largely in demand in the village parts and has also increased the rate of interest very much. Sowcars demand 12 per cent and even more. I do not think that because of the injurious effects of the super-tax on the banks, the tax should not be levied. On the other hand, by the imposition of this tax the money that was available for agricultural industry will cease to be transferred from the villages to the cities.

Two factors, the Mysore Bank and the Government Loan have to a very great extent affected the village parts. Loans to Government will be a legitimate demand on the capital of the raiyats, but Mysore Bank which is not doing any good to the people of village parts, has no claim on their capital. Villagers are not likely to get any loans even on security of landed property and it is very hard to satisfy the conditions of the bank.

When we get a large income, *viz.*, Rs. 6 lakhs, for the good of the country, I dare say that the raiyats will welcome a measure of that kind with very great satisfaction.

With these observations, I support the Bill.

MR. N. S. NANJUNDIAH.—Sir, as Mr. Rangaiengar stated, he moved several amendments on the previous occasion and I had the privilege of supporting them; no doubt, most of them did not then find favour with this House. I am, however, glad along with him that some of them are now adopted in the present Bill.

The other question of importance in the Bill is the one about the super-tax. Considering it as a matter of academical interest and theoretical discussion, I fully appreciate what Mr. K. P. Puttanna Chetty has observed, but from the question of practical politics, we cannot well afford to lose the extra money we hope to get, by the imposition of this tax, for the common well-being of the State. The matter has been very clearly put before us by Mr. Chandy and if we are able to get from outsiders and companies in the shape of taxation six or seven lakhs of rupees, for the common welfare of the State, I would hasten to support the Bill. It may be that we may have to pay a little more ourselves; but my point is that if by taking the burden of a pie or two ourselves we can get from others three pies or six, I would gladly take the burden and we must be prepared to take it too. Putting it the other way, would it be prudent for us to lose the chance of getting three pies or six pies with a view to save a pie or two of our own?

I wish that Mr. K. P. Puttanna Chetty and other members who have been pleased to support him will lend the weight of their position and influence so that we might be able in one voice to vote for the Bill which has been so wisely placed before the Council.

MR. B. N. VIJIA DEVA.—In support of the Bill, I wish to state that I have always been averse to any kind of taxation, but if it is intended to tax only those people who are fat with large incomes, I shall have no objection. If the super-tax is not levied I think a great injustice would be done. Considering that this measure of taxation will not affect those people that are already affected, namely, the poor raiyat class and will relieve to a great extent a pressure that we are now feeling, I heartily support this Bill.

MR. MIR HAMZA HUSSAIN.—Sir, the sense of the House as I gather from the speeches just now made, seems to me that they are more in sympathy with the small tax-payer, that is, with the person with small incomes than with large capitalists, who are liable to super tax. So far as the possessors of small incomes are concerned, whose cases have been well advocated by our friends Mr. Ramachandra Rao and Mr. N. S. Nanjundiah, any proposals that may be brought forward for giving relief to them, will receive very sympathetic and earnest consideration of Government.

The levy of super-tax, which is the most important part of this Bill, is before the House now. There are two classes of assessees that will be affected, *viz.*, individual assessees and secondly the companies. As regards individual assessees, as Mr. Chandy has already stated, their number is very small. Their cases can be easily passed over, because the men who are in receipt of large incomes will not grudge to pay a small sum by way of super-tax.

There are two classes of companies, *i. e.*, companies with their headquarters in the Mysore State and companies with their head-quarters outside the State. Only companies with head-quarters within the State will be affected, as the others will be liable to the British Income Tax Regulations. They get a rebate outside the State for the payment they will have made in the State. So we need not concern ourselves with companies (foreign) that are doing business in the State. In any case, they have to pay the income-tax and the super-tax and it is the Mysore Government that will be deprived of the legitimate taxes due to them. The Marwaris, Multanese, Sindhis, all have their head-quarters outside Mysore and there they are lible for British income-tax. So they will not suffer in any way by the imposition of the super-tax in this State.

The only point for consideration is how far the local companies will be affected by the imposition of this tax. Mr. Chandy and other members who have spoken on the subject have shown that it does not affect the trade of the country in any way, and so there is no valid reason on their part to object to the passing of this Bill into law. The other points raised will be duly considered in the Select Committee.

DEWAN.—I do not think I should be doing my duty if I put this proposition to vote without making a few observations. We have had rather a lengthy debate and I think that everything that can be said has been said by different members who have taken the opposite view. I must confess on behalf of Government that I felt rather nervous when I found that our honourable friend Mr. K. P. Puttanna Chetty was using all his persuasive language and eloquence and also bringing to bear on the arguments that he put forward, his vast experience as an administrator, as a business man, as a capitalist as well as an industrialist. But I hope that after he has heard Mr. Chandy and also the Honourable mover of the motion and several expressions of opinion that have been put forward by some of the non-official members, he will now, to some extent at least, if not altogether, modify his out-and-out opposition to the super-tax If we were able to furnish a few particulars regarding the principles of super-tax and the methods of its application to assessees before this House, I am convinced in my own mind that we should probably be able to carry Mr. Puttanna Chetty with us in this measure. But there are obvious reasons which prevent us from giving all kinds of detailed information regarding the public companies and individuals. But apart from that, leaving individuals alone and taking the objections that have been put forward in regard to the super-tax as being applicable only to companies, I wish to make a few observations. The general

argument put forward in regard to the development of industries and commerce in the State and in any other civilised country, as already pointed out by Mr. Shama Rao, applies to the whole principle of Income-tax. I need not labor on that point. Then as regards the question of taxing large companies who make enormous incomes and the undesirability of sharing on the part of Government a portion of their profits on the ground of additional expenditure or on the ground of reduced dividends is also to my mind a very fallacious argument. There is one important fact to be borne in mind. Mysore as admitted by Mr. Puttanna Chetty is a land locked State. Mysore by itself within the limits of its territories cannot develop industries and commerce as if it were a water tight compartment. Its economic conditions inside will very largely be affected by economic conditions outside. Now owing to the very advantageous circumstance that prevails in this beautiful State of Mysore with abundant natural resources, capital has come in for the development of very large industries. Companies have been formed with success and the natural resources of the country have been exploited mostly by foreign capital. This is due to the encouragement that has been given by His Highness' Government in the past. Now it is a reasonable claim that His Highness' Government may put forward that because of these favourable conditions, because of these advantageous circumstances, because of the existence of the abundance of raw materials, if the country has attracted foreign capital, the Government of the country which provides these conditions, which creates these opportunities that enable these companies to prosper and make handsome profits, is entitled legitimately to a share in the profits for the general purposes of administration.

The Honourable Member of Council has already explained to this House the fact that most of the assessees, *viz.*, companies have their business headquarters outside the State and under the scheme of reciprocity they will get credit to the extent of the tax they will pay within the Mysore State. Our rates of income-tax are very much lower than the rates prevailing elsewhere, at our next door in British India and in the United Kingdom and the rates of super-tax proposed here do not bear any comparison to the rates of super-tax levied in any civilised country or in the Income Tax Act of British India. We have adopted for purposes of calculation a flat rate of one anna in the rupee for the amounts in excess of Rs. 50,000. If the House will look at the schedule of the Income-tax Act of British India, it will observe that it proceeds on a graduated scale and increases from one anna to six annas. Now strictly speaking, those companies that will have to pay super-tax will have no grievance whatever for the reason that whatever tax they will pay to the Mysore Exchequer, they will recover by way of refund from other administrations. If that point is clear to the House, there can be no manner of objection on those grounds of general economic theories that have been so ably put forward by Mr. Puttanna Chetty for the introduction of a measure in the Income-tax Bill of the State for the levy of the super-tax.

From the point of view of Government, this Bill at the present juncture is a most important measure and Government consider that it is an equitable measure and because we have delayed many many years in introducing the Income-tax Regulation in Mysore, there is no reason why we should delay any longer the introduction of super-tax by a suitable amplification of the Income-tax Act which legitimately and logically follows as a full measure of equitable taxation so far as incomes are concerned. We expect to get between six to seven lakhs by the introduction of this measure and I can assure this House that 90 per cent of this income is now going out to other administrations, and I think it is the legitimate right of the Mysore State to get that money back. (Cheers.)

Of course, we all know that there is a certain amount of trade depression. Government are as mindful and have as much sympathy in regard to that matter as they possibly can have and nobody will accuse Government for any change in their policy, the generous policy that has been enunciated by His Highness the Maharaja for the encouragement and development of industry in the State, for the simple fact that they have introduced the Income-tax and the Super-tax.

I am sorry that Mr. Ramachandra Rao gave out as one of the arguments in support of his opposition that it was not desirable to introduce any change in the Income-tax Legislation that will raise the opposition of all classes of earners. Personally I think that the introduction of this measure will have exactly the opposite effect. Income-tax is an obnoxious tax in every country in the world

from the point of view of assessees. If any body travels in Europe, he is sure to find representatives of different nationalities paying income-tax all blaming Government not only for the principle but also for the methods they employ for securing the maximum of revenues out of the tax. That it is an obnoxious tax no one will deny. But because Government now propose to levy the super tax on certain incomes, it is, I think, not quite reasonable to suppose that the vast majority of assessees will be disaffected. I think they will see that it is more equitable in principle because, poorer classes of assessees will then have the satisfaction of knowing that Government are really taxing the people who can well afford to pay the tax, up to the point they are not at present contributing towards the revenues of this State.

I wish to add in this connection also that when Income-tax was first proposed to be introduced in the State, some of the large companies from whom we really derive a major portion of our revenue urged the very same arguments that our friend Mr. Puttanna Chetty has urged now in this House. They pleaded in a very gloomy tone "We have to keep costs within bounds; the costs of supplies have greatly enhanced; the dividends are dwindling and therefore the levy of income-tax is unjust." But in what respect have they suffered? Most of the companies as I have already explained have not suffered in the least by the introduction of income-tax and I think they will not suffer in the least likewise by the introduction of super-tax.

Government are providing all the facilities and opportunities for developing industries in the State. They are also prepared to afford every kind of concession to languishing industries or for starting new ones for which Mysore possesses natural advantages. Only the other day an application from an outside capitalist was made for certain concessions for the development of match industry in the State. He stated "You have no match industry in the State; there is an abundance of raw material in the State Forests; please give us the concession for ten years, *viz*, exemption from income-tax." If any such proposal comes, that is a totally different matter. The question of the encouragement of the industries and the question of subsidising industries are altogether different from the question of a fully equitable and reasonable fiscal measure like the income-tax in the State. The two issues should not be mixed up. I need hardly state that Government will do everything in their power and give every facility to Mysore capitalists to enable them to float indigenous companies and to come forward and establish industries with suitable concession or sub-ventions, but as a matter of public policy, super-tax is a sound principle in any scheme of taxing large incomes specially when Mysore Schedule is comparatively so low and the incidence of taxation so light. I hope this House will now vote for this measure with a due sense of responsibility both in regard to the principle of taxation involved as well as to the considerations of general finance which are at the present moment pressing heavily on the Mysore Administration.

The motion was put to vote and passed.

MR. MIR HAMZA HUSSAIN.– I beg to move that the Bill to amend the Mysore Income-tax Regulation be referred to a Select Committee consisting of the following members:—

Mr. K. Chandy.
Dewan Bahadur Mr. K. P. Puttanna Chetty.
Rao Bahadur Mr. M. C. Ranga Iyengar.
Mr. M. Subbiah.
Mr. N. S. Nanjundiah.
Mr. Abdul Rahmon.
Rao Saheb Mr. H. Chenniah.
Rao Bahadur Mr. M. Shama Rao.
Mr. K. Matthan.
Mr. K. Shankaranarayana Rao.
Mr. M. N. Krishna Rao and Myself.

MR. K. CHANDY.—Sir, I beg to second the motion.

The motion was put to vote and passed.

6. The Petroleum Bill.

DEWAN.—Owing to the absence of my learned colleague the First Member of Council, I should like to ask Mr. Mir Hamza Hussain, with your permission, to move the sixth proposition regarding the Petroleum Bill.

MR. MIR HAMZA HUSSAIN.—Sir, in the unavoidable absence of Rajamantrapravina P. Raghavendra Rao, I beg to propose that the Petroleum Bill together with the report of the Select Committee be taken into consideration.

The Select Committee have made after careful consideration some changes in the Bill, the reasons for which are fully given in their report and I need not take this House through them.

MR. S. CADAMBI.—Sir, I beg to second the motion.

MR. ABBAS KHAN.—Sir, I beg to oppose the amendment of the Select Committee in respect of Sections 5 and 6 of the Bill. The quantity of petroleum that a person may possess without obtaining a license is 40 gallons in the original Bill. The Select Committee has reduced it to 20 gallons. Under the original section no quantity of dangerous petroleum exceeding 40 gallons shall be imported or transported or kept by any one person without obtaining a license from the Government. Forty gallons do not seem to be too much and so the original quantity may be retained. I therefore, oppose the amendment of reducing the quantity to 20 gallons.

DEWAN.—Perhaps the members of the Select Committee might enlighten the House on that point.

RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.—Forty gallons appear to be a moderate quantity for storage, for use of engines and for other purposes. I think the original provision may be allowed to stand as proposed by Mr. Abbas Khan. It is not dangerous to store that quantity.

MR. VENKATARAMAIYA.—But no notice of any amendment is given.

MR. ABBAS KHAN.—I oppose the amendment of the Select Committee suggesting the reduction of the quantity from 40 to 20 gallons.

MR. RAMASWAMI CHETTY.—The gentlemen who have opposed the amendment are owners of motor-cars and they know the difficulties of maintaining them. In their opinion the amendment is objectionable. The members of the Select Committee who are here are not getting up to support the amendment and that shows that they have not seriously recommended the amendment and do not care to have it carried. They should show some reasons why they reduced the quantity.

MR. ANANTHIAH SETTY.—It was considered dangerous to possess without license 40 gallons of petroleum by any one. So the Select Committee considered that 20 gallons would be the proper limit.

MR. S. CADAMBI.—Under Section 5, a license is required to be taken for transporting or keeping dangerous petroleum exceeding 40 gallons. Under Section 6, also a license is required to be taken for transporting or keeping dangerous petroleum equal to or less than 40 gallons, the only exception being that, if the quantity does not exceed 3 gallons, no license is necessary. It was not clear to the Select Committee what is the exact line of distinction between Section 5 and Section 6, as both sections read together imply in effect that in all cases where the quantity exceeds 3 gallons, a license is to be taken.

Having regard to the local conditions and the inconvenience and hardship that will be caused in individual cases by imposing a rule that, in all cases where the quantity exceeds three gallons, license is to be taken, and not being impressed with the sharp distinction between a license for less than 40 gallons and for a license exceeding 40 gallons so far as the Mysore conditions are concerned, the Select Committee have come to the decision that Section 6 of the Bill be altogether deleted, and Section 5 only be retained altering the quantity from 40 gallons to 20 gallons.

The effect of the Select Committee's recommendation is that no license is required for transporting or keeping less than 20 gallons and that a license in one form only will be prescribed for quantities exceeding 20 gallons. This point has been carefully considered by the Select Committee and will I hope be approved by this House.

MR. ABBAS KHAN.—If Section 6 of the original Bill is in any way inconsistent with Section 5, it (*Section 6*) may be deleted, but there is no reason why the quantity mentioned in Section 5 should be reduced. The reasons for reduction have not been shown. We know, sir, when there was paucity of petroleum in the City of Bangalore, the difficulty experienced by the motar-car owners. They had to bring petrol from Madras and other places and when they go to the interior of the province petroleum is not available particularly in the Kolar and Chitaldrug Districts and in many other places. The quantity of 40 gallons is not excessive. To facilitate matters, I beg that the original quantity of 40 gallons may be retained and the amendment of the Select Committee may not be approved.

DEWAN.—Do you wish to make this Motion with the permission of the President ?

MR. ABBAS KHAN.—Yes, Sir, if you kindly grant the permission.

DEWAN.—Is any one seconding the Motion ?

MR. PARAMASIVIAH.—I second the Motion.

DEWAN.- The Motion before the House is that the Bill together with the report of the Select Committee thereon be taken into consideration subject to the amendment proposed, namely that Sections 5 and 6 of the original draft should be retained.

The motion was put to vote and carried.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to propose that the Bill as amended be passed.

MR. S. CADAMBI.—Sir, I beg to second the motion.

MR N. S. NANJUNDIAH.—Sir, I suppose we are not going to suspend the rules of business for adopting the Bill. If the rules of business are not going to be suspended, I am afraid, the Bill cannot be passed. Under Rule 50 when the amendments proposed by the Select Committee (if the Bill has been referred to a Select Committee), and such other amendments as may be proposed by any of the members before the Council have been considered by the Council, the member in charge of the Bill or in his absence any other member may move that the Bill as amended be taken up and passed at a subsequent meeting.

I am not aware of any rule which provides for adopting the Bill immediately after consideration of the report of the Select Committee unless there is a motion and the Council passes the motion for postponing the rules of business. I do not think there is any motion for the suspension of the rules of business.

MR. MIR HAMZA HUSSAIN.—I may explain that the point whether it was necessary to introduce a motion to the effect that the rules of business may be suspended was considered by Government. The Government was advised that it was not necessary to adopt that procedure and the motion for the Bill being passed into law was published. The procedure now adopted also is borne out by precedents and previous practices in this Council and very important Bills have been passed in this manner. The precedents show that it is not necessary to pass a motion for the suspension of the rules of business.

Rule 50 says that 'when the amendments proposed by the Select Committee if the Bill has been referred to a Select Committee and such other amendments as may be proposed by any of the members before the Council, have been considered by the Council, the member in charge of the Bill or in his absence any other member, may move that the Bill as amended be taken up and passed at a subsequent meeting.' So the third stage of the Bill is not obligatory at all. The third stage is intended for the convenience of the Government and not that of the members. This is clear from the sub-clause of Rule 50. At this meeting, the Council usually considers the amendments on behalf of Government and then passes the Bill.

MR. N. S. NANJUNDIAH—The word 'may' here does not mean that it is optional. On the other hand it lays down a procedure. If one peruses the rules of the Legislative Council, one will see the different stages through which the Bill has to pass. Looking down rule after rule and coming to rule 50, it is seen, that after the Select Committee's report, when the amendments are taken into consideration, there is no other provision which lays down what has to be done next. The word 'may' here in my humble opinion only makes it optional either *for the*

mover or any one willing to make the motion (which itself must fall under one rule or another) to move that the Bill as amended be taken up and passed at a subsequent meeting; and therefore the stage prescribed here is one which says that after considering the amendments, if any, the next motion is to be for taking up the Bill and passing it at the next meeting. The option involved in the word "may" has reference only to the individual that has to make the motion and not the subject matter of the motion itself. The member in charge of the Bill or in his absence any other member may move that the Bill be taken up at the next meeting and be passed.

For instance at the next meeting it is open to a member to move amendments though with the permission of the Dewan and Government itself may move such amendments. But by not following such procedure, you will be practically preventing a member from applying to the Dewan for permission to move any amendments, and Government itself cannot move any. Therefore in these circumstances, on the point of order as regards the procedure, I submit, that if one peruses the rules and the spirit in which they are framed, it will be found that the use of the word "may" does not make it optional to pass the Bill at once. The rule only prescribes the procedure that has to be adopted in the Legislative Council. Otherwise there is no other rule under which this motion for passing the Bill can be made and this rule contemplates a motion for passing the Bill at a subsequent meeting.

MR. K. SHANKARANARAYANA RAO.—SIR, after a careful consideration of all the rules, I came to the conclusion, which I have also communicated to the Government, that the word 'may' has been used in its ordinary sense and suggests that the discretion in all such matters vests in the Member who is in charge of the Bill. If we carefully peruse the various rules relating to the conduct of business we find that both the words 'may' and 'shall' have been used in their appropriate places and have been advisedly used with due reference to the significance of those expressions. In all those cases in which it is intended to make a particular procedure obligatory the word 'shall' has been used, and in all other cases where it is optional or it is intended to leave it to the discretion of the mover of the motion or the Member in charge of the Bill, the word 'may' has been used. In this particular case option has been given to the Member in charge of the Bill for the obvious reason that if in his opinion the subject is one of such great importance as to necessitate further deliberation, as for example where it is necessary to propose further amendments on behalf of Government, it is open to the Member to postpone the consideration of the Bill and to move that the subject be considered at a subsequent meeting. If, on the other hand, the matter is not of such great importance and the matter has already been dealt with in a proper manner and all aspects of the question have been considered, the Member has the option of moving that the Bill be considered and passed immediately.

I have had an opportunity of examining how this rule was being interpreted on previous occasions and I have found that in several instances under similar circumstances, the Member in charge has got such measures passed without postponement. In these circumstances, I do not think that it is obligatory on the part of the Member to move that the matter be passed at a subsequent meeting of the Council.

MR. B. V. RAMASWAMI CHETTY.—SIR, it is only in the absence of the mover of the Bill that any other member can exercise the right of moving the postponement of the consideration of the Bill to another meeting. The word 'may' does not mean anything else than what has been assigned to it in the Rules. Anyhow the mover is present here. Therefore, no other member has got the right to do the function, which he has got the right to do, and that is, proposing the adjournment for the consideration of the Bill to another meeting. I, think that the practice also has been so. The construction has been put already in that way at every meeting. Under similar circumstances, several Bills of urgency had to be considered by the House. Therefore as no other member has got the right to ask for the postponement of the consideration of the matter at the next meeting, I think the only course open to the Council is to consider whether the proposition of Mr. Mir Hamza Husein which has been supported should be passed or not. That is all, we cannot ask for the postponement in the manner that has been suggested by Mr. Nanjundiah.

MR. VIJAYA DEVA.—Sir, I just wish to make a few observations. At first when this matter was suggested by my friend Mr. Nanjundiah, I thought he was correct and as a member of the Legislative Council, I would be committing an illegality in rushing through the procedure. I am afraid after considering the question deeply, I must confess that there is not much substance in the point that was raised by my friend and I say that with all due respect to him; for when I was deeply considering the objection I was reminded of the procedure followed by the Houses of Parliament and also by the sister bodies in the provinces of India. The stages that are involved in passing a Bill into an enactment are three. The principle underlying those three stages are:—Giving wide publicity by taking leave to introduce the Bill and publishing it in the Gazette. That covers the first stage of the Bill. The second stage of the Bill would be really to take into consideration the principles of the Bill in the Council and that being done, the amendments that are to be proposed and to be considered in connection with that Bill would be left to the small body of the House called the Select Committee or the whole body constituted into a Committee which is on the lines of the Houses of Parliament and there is nothing to prevent it. That would be the real second stage of the Bill. When that stage has been passed, I think there is nothing in the rules to prevent the passing of the Bill. That is the third stage of the Bill.

In Rule 50, as my learned friend Mr. Shankaranarayana Rao said, the word 'may' has been deliberately put in, more as a discretionary measure left to the Member in charge. What I wish to emphasise is this. All the three stages have been sufficiently well met in the rules and there is nothing which would prohibit the Council from passing the Bill. In other words, we may put the argument in another way and ask Mr. Nanjundiah what is there expressly in the rules for opposing the Bill at this stage, namely, after the Select Committee's report is over.

The Second Member of Council pointed out the precedents. In that case, we are well guarded with the precedents. Therefore the point of order is not of much importance.

DEWAN.—On the point of order the ruling I propose to give is this:—

Looking into the merits and the precedents of the Council, it is observed that in regard to all very important measures which raise considerable discussions at every stage namely, the stage of introduction, stage of consideration of the draft and lastly the stage of consideration of the report of the Select Committee, the practice has been to pass the Bill at a subsequent meeting. In regard to other Bills of a non-controversial character where the report of the Select Committee has been published and the Bill duly considered and the mover in charge of the Bill has proposed that the Bill as amended be passed, the practice of this House has been to proceed immediately to pass the Bill after the report of the Select Committee has been taken into consideration.

I cannot think that this practice was in any way inconsistent with the rules of business of this House, for I believe, if such was the case the point of order that is raised to-day would surely have been raised before.

I, therefore, think that the procedure is in consonance with the spirit as well as the letter of the rules and therefore the motion is in order.

The motion before the House is that the bill as now amended be passed.

MR. S. CADAMBI.—Mr. Abbas Khan proposes that the Section 6 might be deleted as proposed by the Select Committee.

MR. K. P. PUTTANNA CHETTY, C.I.E.—If inconsistent?

MR. S. CADAMBI.—According to Section 6, if the quantity to be transported or kept by any one is equal to or less than 40 gallons, he has still to take a license, but only if the quantity owned by one man does not exceed 3 gallons and in that case, the petrolium is placed in a separate glass, stoneware or metal vessel each of which contains not more than one pint and is securely stopped,—then only no license is necessary. This condition has been felt to be a hard and stringent one and therefore the Select Committee thought that there should be one rule, namely to have 20 gallons without a license.

DEWAN.—Section 5 cannot be retained by itself without Section 6. It looks rather inconsistent. Perhaps the Council has overlooked the main point in the

proviso regarding the dangerous petroleum and I think we can trust to the wording and the drafting of the British legislators. I do not think there is any inconsistency in the matter.

The motion was put to vote and passed.

7. Bill for the Identification of Prisoners.

MR. MIR HAMZA HUSSAIN.—SIR, the Bill to authorize the taking of measurements and photographs of prisoners for purposes of identification, which was introduced with the leave of this Council and was referred to a Select Committee over a year ago, has since been considered by the Select Committee and in their opinion the Bill requires no modifications in substance.

The two minor amendments suggested by the Committee are (*a*) the substitution of "1922" for "1921" in clause 1 (1) and (b) the addition of the words "and shall come into force at once" in clause 1 (2). The reasons for making these amendments are obvious.

I now beg to move that the Bill together with the report of the Select Committee be taken into consideration.

MR. A. SUBRAMANYA IYER.—SIR, I beg to second the motion.

The motion was put to vote and passed.

MR. MIR HAMZA HUSSAIN.—SIR, I beg to move that the Bill as amended by the Select Committee be passed.

MR. A. SUBRAMANYA IYER.—SIR, I beg to second the motion.

The motion was put to vote and passed.

8. Bill further to amend the Mysore Stamp Regulation, 1900.

MR. MIR HAMZA HUSSAIN.—SIR, I beg to move that the report of the Select Committee on the Bill further to amend the Mysore Stamp Regulation, 1900 and the Bill as amended by them be taken into consideration.

The Bill, which was published in the Gazette under Rule 32 of the Rules of Business of this Council, was introduced into the Council at its meeting held on the 18th September last, when I explained the object and the scope of the measure. The general principles of the Bill having been considered, the Bill was referred to a Select Committee at the same meeting.

The Select Committee have gone into the provisions of the Bill thoroughly and suggested several alterations in the Schedule thereto, some of which are intended to keep down the rates of stamp duty on the instruments, very commonly in use, as for example, bonds and conveyances. The report of the Select Committee published in the Gazette, copies of which have been furnished to you, fully sets forth the amendments suggested and no further explanations are needed from me now.

With these remarks, I beg to commend the motion for the acceptance of the House.

MR. K. CHANDY.—SIR, I beg to second the motion.

RAO BAHADUR M. C. RANGA IYENGAR.—SIR, with reference to the Stamp Regulation and Court Fees Regulation Bills, a petition has been received by the President suggesting that some time should be allowed to elapse before passing the Bills and bringing them into force. Because, people especially in connection with the Stamp Regulation are liable to commit serious mistakes, mistakes which will involve very great risks. Therefore it is very necessary that the widest publicity should be given to the new Regulations so that the people may know well all the alterations. On the last occasion when the stamp duty on the Negotiable Instruments was raised by one or two annas, as the case may be, the people were not aware of the alterations. They went on taking the Negotiable Instruments at the old rates and afterwards to their utter dismay, they found that these documents were not admissible in evidence. That involved many people in very serious troubles. Therefore, I submit to the Council that a reasonably distant date should be fixed for these Regulations to come into force.

MR. PARAMASIVIAH.—SIR, I cannot really understand how any lapse of time would help the people to get over the difficulty that was mentioned by Rao Bahadur

M. C. Ranga Iyengar. As a matter of fact in spite of the existence of the present Stamp Act for a number of years, mistakes are even occurring to-day regarding the insufficiency of stamp on Negotiable Instruments. I do not know how three or four months can make the people fully conversant with the provisions of the new Stamp Act. They generally resort to the help of the lawyers to know about the sufficiency or insufficiency of the stamp. The lawyers cannot plead ignorance.

MR. N. S. NANJUNDIAH.—Sir, I agree with Rao Bahadur M. C. Ranga Iyengar. I do not exactly know what the practice now is in Bangalore about people in rural areas going to lawyers for getting documents drawn up. But in mofussil places they rarely go to them. The local shanbhog or school master, or other literate person is the villager's legal adviser and the diary, old or new, is often the guide. Many a time, large sums lent on promissory notes are lost on account of the insufficiency of stamp duty paid thereon. It is not that the parties were unwilling to pay the duty leviable for the promissory note, but it was of sheer ignorance as to the amount of stamp duty actually payable. In fact, as regards the graduation in the scale in respect of promissory notes payable otherwise than on demand, the stages of increase follow no definite principle but are somewhat arbitrary and many a lawyer who has not had the schedule before him but trusted to memory has given wrong advice, the promissory note being ultimately discovered to be insufficiently stamped, much to the prejudice of the party acting upon such advice. The same argument holds good as regards documents chargeable with one anna stamp or less in respect of which no penalty is leviable and made admissible.

As regards bonds however, duty and penalty is leviable and the scale itself follows some intelligible principle so that certain multiples have a particular scale.

Another difficulty is that it necessarily takes some time before the Regulation will have been translated into Kannada and published in the Gazette. But in the meanwhile, it comes into force as soon as it will be published in English in the Gazette. Hence by the time the Kannda edition will be available, a lot of time will elapse and many a person taking promissory notes or other documents of the kind above named will have taken risks.

MR. MIR HAMZA HUSSAIN.—This, as the House is aware is a money Bill and it is drawn up with the object of raising more revenue to meet the extra cost of the administration. Since the budget was framed, Government have sanctioned very many items of expenditure calculated to promote the well-being of the people; granted more money for Education, for the development of industries and agriculture. Therefore the operation of this measure cannot be unduly delayed. If it is to be postponed for three months, it means that the Act will come into effect at the time when the courts will be closed, namely somewhere in the month of March and thus the Act will virtually come into force about the beginning of the next year. We think we are already late in the day in introducing the Bill. In Madras and Bombay, this Bill was introduced nine months ago and it became law in the course of a fortnight. In British India the Act came into force as soon as it received the assent of the Governor-General in Council or as soon as it was published in the Gazette. Similarly, it was our intention to bring these Bills into operation from the 1st January 1923. By that time we thought due publicity would have been given to the Bill. The Bill together with the report of the Select Committee has already been published on the 21st of November last and the members of the legal profession are sufficiently aware of the contents of the Bill.

However, in view of the general desire of this House to postpone the passing of the measure for sometime till the people have understood the measure properly Government have no objection to bring it into operation, say from the 1st February next. So I beg to move that this Bill do come into force from the 1st February 1923.

MR. M. C. RANGA IYENGAR.—I beg to second the motion.

DEWAN.—The motion before the House is that the Mysore Stamp Regulation amending Bill with the report of the Select Committee be taken into consideration with a clause inserted to the effect that the Bill shall come into force in Mysore State with effect from 1st February 1923.

The motion was put to vote and carried.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to move that the Bill as amended be passed into law.

MR. CHANDY.—Sir, I beg to second the motion.

The motion was put to vote and carried.

9. Bill to amend the Mysore Court Fees Regulation, 1900.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to move that the report of the Select Committee on the Bill to amend the Mysore Court Fees Regulation, 1900, and the Bill as amended by them be taken into consideration.

This Bill which was also first published in the Gazette under Rule 32 of the Rules of Business, was introduced into this Council and referred to a Select Committee on the 18th September last.

The Select Committee have considered the provisions of the Bill and presented their report which has been furnished to the members. The amendments proposed are fully explained in the report and no further explanation from me is called for now.

With these remarks I beg to commend the motion to the Council.

MR. K. CHANDY.—Sir, I beg to second the motion.

MR. MIR HAMZA HUSSAIN.—In view of the resolution passed in connection with the previous Bill, I beg to move that this Bill also may come into force with effect from the 1st February 1923.

MR. M. C. RANGA IYENGAR.—Sir, I beg to second the motion.

The motion was put to vote and carried.

MR. MIR HAMZA HUSSAIN.—Sir, I propose that the Bill as amended be passed into law.

MR. K. CHANDY.—Sir, I beg to second the motion.

The motion was put to vote and carried.

10. Bill further to amend the Mysore Municipal Regulation, 1906.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to move that the report of the Select Committee on the Bill further to amend the Mysore Municipal Regulation, 1906, together with the Bill as amended by them be taken into consideration.

The Bill, as the members are aware, was first published in the *Mysore Gazette* under Rule 32 of the Rules of Business of this Council and was read in Council at its last meeting held on the 1st September 1922. The measure evoked considerable discussion on that occasion and it was ultimately agreed to and referred to a Select Committee.

The Select Committee held its sittings on two days and the result of their deliberations is embodied in the report published in the Gazette, copies of which have already been furnished to the members.

The Committee have carefully considered the provisions of the Bill in the light of the remarks offered in the Council and outside and have made suitable changes wherever necessary.

The term of office of a Municipal Commissioner is fixed for three years, but he has been declared to be eligible for reappointment.

In order that the President might not be kept in ignorance of what is passing on between the Municipal Commissioner and the Government, a new clause 24A providing that all official correspondence between the Commissioner and the Government should pass through the President has been added. The question of the powers of the Commissioner received particular attention and the necessary modifications have been made in the Bill in view of local conditions.

The only other important changes suggested by the Select Committee are those in clause 3 of the Bill as amended *viz.*, (1) relating to the term of the Presidents and Vice-Presidents of Municipal Councils where no Municipal Commissioner has been appointed and (2) the arrangement for the conduct of work in a Municipal Council during the period intervening its reconstitution and the election or nomination of the new President. The report explains the reasons for the proposed changes. Mr. D. Venkatesaiya has, however, sent some amendments in these matters and I do not wish to make any further remarks on the points until after

he has moved his amendments. In clause 17 of the Bill certain provisions have been introduced defining the powers of Municipal Commissioners and the right of intepellation has been expressly conceded to them.

With these remarks, I beg to move that the report of the Select Committee on the Bill and the Bill as amended be taken into consideration.

RAJASABHABHUSHANA DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.,—SIR, I beg to second the motion.

Amendment.—1. Clause 3 (1) proposing modification in Section 23 (6), be deleted.

MR. VENKATESAIYA.—Sir, the first amendment standing against my name is that clause 3 sub-section (1) proposing modification in Section 23 (6) be deleted. That clause in the Select Committee's report lays thus. "That every President and Vice-President shall be removable from his office as such President or Vice-President by the Government for his misconduct or neglect of duty or incapacity to do the work. The term of office of President and Vice-President shall be for a year unless the term of the Council expires sooner, provided in the case of City Municipalities every President and the Vice-President shall hold office for a period of three years unless his term of office as a councillor, expires sooner". This amended clause is expected to replace sub-section 6 of Section 23 in the existing Regulation No. 7 of 1906. That section also provides for the same matter and runs as follows:—"Every President and Vice-President shall be removable from his office as such President or Vice-President by the Government for misconduct or neglect or incapacity to perform his duty. The term of office of every President and the Vice-President shall cease on the expiry of his term of office as Councillor unless the term for which he shall have been appointed President or Vice-President expires sooner." So the existing provision sub-section 6 of Section 23 in the Regulation 7 of 1906 provides for the exit of the President under different conditions. The first portion relates to his removal for certain misconduct of his and the Select Committee has not touched that portion and the Government also have not proposed in the draft any amendments to that portion of the section. The second portion of that sub-section relates to the term of office of the President and the Vice-President in the Municipal Council. Under the existing provision, the term is co-terminous with that of the Municipal Council that is three years. In the draft of the Bill it was proposed that the term of the President or the Vice-President in all Municipal Councils irrespective of their being either City Councils or the District Headquarter Municipal Councils, be one year. In the Select Committee it appears that the whole question has been considered and the City Municipal Councils have been allowed the privilege of having their Presidents and Vice-Presidents for 3 years. And the reasons stated in the report for retaining the old period of three years in the case of City Municipal Councils is this. "We also considered that the term of one year in the case of Presidents or Vice-Presidents of City Municipal Councils will be too short a period to induce non-official members to take up office for any useful purpose and so the term has to be continued for three years as at present". The Select Committee's report is silent on that point with regard to the town Municipal Councils. I submit for the consideration of this House that if a term of one year is too short a period in the City Municipal Council for non-official gentlemen to take up the work and to do any useful work in the Council, will it be possible for the Town Municipal Councils to find competent men to do any useful work within a short period of one year? Moreover it should be understood that there is greater paucity of competent men to act as Presidents or Vice-Presidents in the Town Municipal Councils than in Cities and the object in fixing three years limit was to secure an efficient Municipal Administration and also uniformity of policy at least for a limited period. One would have supposed that even three years was short enough period for any non-official gentlemen to work with enthusiasm as an honorary official for the good of the town in which he resides. Moreover, it will be seen that to learn the work itself *i. e.*, the office routine it will take a few months for him. Then it will be seen ordinarily the official year begins from the 1st of July and the constitution of our Councils will be generally in the month of January or the early part of February. So when a person is appointed or elected President in the month of February, he will have only a few months to check the works which were half complete. He would rather not execute the works which were

begun in the regime of a previous President and so there will be very many practical difficulties in the way of the chief executive non-official President or Vice-President. And again when he frames the budget and the policy for the next year, just before it is sanctioned his term expires and a new President may not care to work out his policy in the same spirit with which the originator of the policy would have done. It might be said that the very same gentleman might be re-elected. It depends on so many conditions. In the first place, he must be elected as a Councillor or as soon as he is nominated. He must choose to stand for election as President or Vice-President. Sometimes he will not choose to stand for the next time especially when it becomes that every time for a few months work he will have to be judged and a vote of confidence passed. It might be said that in Madras this system prevails and I have looked up to the provisions of the District Municipalities Act 1920. There a provision exists to the effect that the term of the Chairman or in any case there is a paid chairman if the Vice Chairman is an elected one; his term of office is co-terminous with that of the Council.

MR. MIR HAMZA HUSSAIN.—I beg to correct you. Please refer to Section 12 clause (i).

MR. VENKATESAIYA.—With regard to the office of the Chairman being co-terminous with that of the Council it is all right. But any how that provision has not been in operation for a long time and we can safely wait and see how it would work before we can adopt that course here The only reason to have such a provision is with the object of removing an obnoxious President or Vice-President. I think the first part of the provision gives ample powers to Government.

How could the evil be remedied if after the President is elected and on the second day thereafter he becomes obnoxious? What will the Government do in this case? Will this remedy *viz.*, that his term should expire at the end of the year remedy the evil that might be committed on the second day after his election. I think no President or Vice-President who has self-respect in him would continue in office if the sense of the majority of the members is against his staying in power. There may be cases in which it might be necessary to see that the President is removed. For that the provisions are ample and that it is in the power of the council itself to see that the President resigns his office by passing suitable resolutions of censuring his conduct. Under these circumstances, I commend my amendment for the acceptance of the House.

The amendment was declared lost for want of a seconder.

Amendment 2.—Clause (3) (2) proposing an additional clause 7 (a) to Section 23 be deleted.

MR. VENKATESAIYA.—The Deputy Commissioner is proposed to take the place of the President in case there is no President for want of election or nomination and that will necessitate his being a Councillor. A President might resign his place but still he might continue to be a member of the Council. But if this provision is still retained the strength of the Council will be increased by one and the provision does not provide for the increase in such cases. Under the existing provision the President or the Vice President will be a Municipal Councillor.

DEWAN.—Your point is that including the President the strength is fixed by the statute.

MR. VENKATESAIYA.—Sir, this contemplates that the President does not become a Councillor and he ceases to be a Councillor as well. A Councillor might lose his seat as President or Vice-President but will continue to be a Councillor and in that case the strength of the Council will exceed the statutory limit. Unless the Deputy Commissioner is appointed as a Councillor, as well, he cannot be a President but in that case it will increase the statutory limits.

MR. MIR HAMZA HUSSAIN.—This will happen only when there is no President or Vice-President and that contingency will occur only when a new Council has to be constituted. The case of the Kolar Municipal Council is an instance in point. The term of the Municipal Council expires, when the President ceases to be the President of the Council. Until a fresh election takes place, there will not be any executive head to the Municipality and there will be no one to carry on the municipal duties properly. In such a case, when a new Municipal Council is constituted, the provisions of this Regulation will be kept in view and the appointment made so as not to infringe any other provisions of the Municipal Regulation.

Mr. Venkatesaiya seems to think that under the Regulation, a limited number of ex-officio members can only appointed. But there is no such limit at all except that three ex-officio members have to be the members of the Council. The Deputy Commissioner under the Regulation can very well be an ex-officio member. When a President is appointed after the election, the officer who is incharge for the time being will resign his appointment and the other man will take his place.

MR. VENKATESAIYA.—With regard to the Kolar Town Municipal Council, I wish to state that all the members are elected and the term of the Council expires on the 31st. The strength of the Municipal Council is fixed at 20 and there are 20 members. If the Deputy Commissioner occupies the place of the President for one month till a re-election, the strength will be 21. But if he is placed in one of the places of the three members nominated, when the President is elected and the Deputy Commissioner resigns, the strength of the Council will be 19.

MR. MIR HAMZA HUSSAIN.—Then the Government will appoint another one to make 20. It is only two nominated and the *ex-officio* members that have to go. What we have to see then is that the proportion of the elected members is not affected. When the Council is constituted and when any contingency like this occurs a place will be shown vacant against the proper nomination and then this gentleman steps in and carries on the business and conducts the Municipal administration and after the President is elected, he instals him in the chair and vacates his place. If the suggestion of Mr. Venkatesaiya is to be accepted, then the Government will have to make an appointment, notify it in the Gazette and cancel it again. The object of this bill is to avoid this circutious course.

MR. VENKATESAIYA.—I propose that the appointment of the Deputy Commissioner as President for a period of two weeks will be unnecessary and my next amendment will obviate the difficulty because, that gives power to the Deputy Commissioner to call upon any member to take the place of the President till another President is elected. That is the procedure in Madras.

MR. MIR HAMZA HUSSAIN.—Even there you make a mistake. That is not the procedure in Madras. It is different. It is not the Deputy Commissioner that discharges that duty.

The amendment was declared lost for want of a seconder.

Amendment 3.—Substitue the words "Nominate or call upon any other Municipal Councillor, Official or Non-official, to be in charge of the duties of the office for the words "Take the place of the President" in the new clause 7 (a) to Section 23 proposed in clause 3 (2).

MR. VENKATESAIYA.—Sir, I withdraw the next amendment standing against my name.

DEWAN.—Shall I take it that you withdraw the 4th also?

MR. VENKATESAIYA.—Sir, 4th is only verbal. I commend it to the Council.

MR. MIR HAMZA HUSSAIN.—Sir, the word 'Kanarese' is anglicised form. In all the previous Regulations enacted and that are in the Statute Book that word appears. Hence to keep uniformity here also the word 'Kanarese' has been used for 'Kannada.'

MR. VENKATESAIYA.—Sir, then I withdraw that amendment.

DEWAN.—Any other observations on the main proposition. None.

The motion was put to vote and carried.

MR. MIR HAMZA HUSSAIN.—Sir, I beg to propose that the Bill be passed at a subsequent meeting of the Council.

DEWAN BAHADUR K. P. PUTTANNA CHETTY, C.I.E.—Sir, I beg to second the motion.

The motion was put to the vote and carried.

11. Bill further to amend the Municipal Regulation.

(Re Education Cess.)

MR. MIR HAMZA HUSSAIN.—Sir, this second Bill to amend the Municipal Regulation refers to the levy of a cess by Municipalities to defray the cost of

education in Municipal areas. It was introduced at the last meeting of this Council and the Council then decided that it was unnecessary to refer it to a Select Committee. I now beg to move that the Bill be passed.

MR. B. VENKOBA RAO:—Sir, I beg to second the motion.

The motion was put to vote and passed.

IV. RESOLUTIONS.

Resolution *re* opening of Vernacular Agricultural Classes.

"That this Council recommends to Government to open Vernacular Agricultural Classes in all Schools Secondary and Elementary, especially in rural areas for the proper understanding of the improved methods suggested by the Agricultural Department and for increased output of food crops and with a view to prevent the migration of land-owners from villages to towns and cities."

MR. M. RAMACHANDRA RAO. Sir, with regard to this resolution I just received a telegram from Mr. Hosakoppa Krishna Rao. It runs thus:—

"Kindly move resolution. Unable to come. Indisposed."

If you permit me I will say a few words on the resolution.

Sir, I beg to move 'that this Council recommends to Government to open Vernacular Agricultural Classes in all schools, secondary and elementary, especially in rural areas for the proper understanding of the improved methods suggested by the Agricultural Department and for increased output of food crops and with a view to prevent the migration of land-owners from villages to towns and cities.' I must confess that I cannot command either the eloquence or the enthusiasm of my learned friend against whose name the resolution stands. I have only to crave the indulgence of this Council to accept a few remarks of mine as a poor substitute for the speech with which Mr. Krishna Rao would have moved the resolution.

In India every three out of four persons earn their livelihood directly from the soil and it is an admitted fact that the economic condition of the Indian raiyat is very low, when compared to the condition of the agriculturist in western countries. The resisting power of the Mysore raiyat is very much the same as in the rest of India. Therefore, the improvement of the lot of the agricultural population should form one of the primary duties of every Government and all expenditure needed to improve the condition of the raiyat should form one of the main charges on the public revenues.

That our Government have realised the importance of this kind of work is evident from the various improvements effected from time to time in the Agricultural Department of the State. A tribute of praise is certainly due to the splendid work which the department has turned out so far under the able guidance of its eminent Director. The credit for good work done by the department deservedly stands very high in India. The department has won the confidence of the agricultural classes in Mysore to such an extent that the existing resources of the department are proving quite insufficient to meet the growing demands which it has created for improved variety of seed and modern tillage implements.

But much yet remains to be done if the Department can be said to have contributed its full measure of service to the people of the State. The agricultural schools at Hebbal and Chikkanahalli are still in their infancy. The University has been recording its opinion year after year in favour of establishing a Faculty of Agriculture as the accumulated experience of the efficient officers of the Agricultural Department is readily available for utilization in that Faculty. The Education Memorandum has no doubt suggested an increase of instruction in agriculture but no definite programme of work has been indicated for adoption by Government

When our Agricultural Department is capable of giving a lead in the matter of spreading very largely a sufficient working knowledge of agricultural science among the rural population of the State, it is the duty of the Government to avail themselves of the material available in the department and go ahead in that kind of work and aim at definite and appreciable results in a short period of time. There is no necessity to watch the progress in this line of work in other parts of India and move slowly as we have been doing in some respects. Every initiative taken for the dissemination of agricultural instruction will surely earn the gratitude of the people as a whole. The people of the State have come to realise that while development in Industries will take a long time and requires a very great expense, a

rise in the agricultural prosperity of the State can be brought about at a comparatively small cost by resorting to methods of work on proper lines and on a large scale. It is just this sort of work the Hon'ble mover of the resolution has at the back of his mind.

At present the obstacles to the suggested improvements fall under three heads, *viz.*, (1) want of funds, (2) insufficiency of trained teachers, and (3) absence of suitable text-books in the vernacular. Attention should therefore be at once directed to overcome these obstacles and it is none too soon to make a determined beginning.

The agricultural population of the State, taken as a whole, is illiterate, though a very small percentage of it can be said to possess only a limited knowledge of Kannada. So, any instruction which may be given in agricultural science or on improved methods of agricultural work must be in Kannada or by ocular demonstration on farms. We hear that Vernacular agricultural schools in the Bombay Presidency are very successful. If the work in Mysore has to give good results, the only way to proceed is by opening vernacular agricultural classes in all the existing schools, elementary, middle and secondary.

MR. BASAPPA.—Sir, I heartily support this proposition. In so doing, I beg to say that since agriculture is the main stay of the country, it is very necessary that training in this should be given early to the raiyat population and to the future generation of this country. The present system of education is defective in so far as that it does not impart a desire for agricultural occupation. It is very necessary that students during the impressionable period of youth should be trained in agriculture and given agricultural instruction. This is a proposition which does not require much to be said in recommendation. With these few words, I second the proposition.

MR. ABBAS KHAN.—Sir, in the Hebbal School, there is a section of agricultural education, purely in Kannada and there is a school at Chikkanahalli which also provides for agricultural instruction in the kannada language. Both these schools are reported to be working satisfactorily. We find from the State Budget that a sum of Rs. 20,000 is being allotted annually for instruction in agriculture, including grants to these schools and libraries. Further, Government have been spending about two lakhs of rupees annually for conducting agricultural demonstration and experiments. Several activities of the Agricultural Department are intended for teaching improved methods of tillage to the agricultural population of the Mysore State. As a further step in this connection the orders of Government on the Educational Memorandum provide for imparting practical instruction on agriculture in the Middle Schools—probably in all the Middle Schools in rural areas,—and have also accorded sanction to a scale of charges for establishment and also equipments. Sometime ago, three classes were opened in the Middle Schools of three important villages; Hunsumaranahalli in Bangalore District, Kyatsandra in Tumkur and Devarayasamudra in the Kolar District. Within a course of two to three years, these classes had to be discontinued on account of financial stringency. I believe the orders on the Education Memorandum in this respect will be given effect to by Government as soon as their financial condition improves. But in the resolution so ably moved by Mr. Ramachendra Rao reference has been made for the opening of such classes in elementary schools, but by experience Government have found out that such classes in the elementary schools, have not been successful. Since Government have laid down a definite policy in this matter and are certain to translate their policy into action in course of time, I do not think there is any need for pressing this resolution.

MR. C. S. BALASUNDARAM IYER.—Sir, with your permission I should like to say a few words on this subject before it is further discussed.

Personally I regard this resolution with mixed feelings. With a portion of it I agree and with another part I must disagree. In one respect the resolution as it is framed is far too broad. It invites Government to open Vernacular Agricultural Classes in all schools, secondary and elementary, for a certain object. Well, this proposition that agricultural classes should be opened in all schools is, as one will see, a most impracticable one at present. There is no doubt that everybody recognises the value of agricultural education, that everybody realises that agriculture is the largest industry in the State and that it is very essential that our boys

should have a training in that industry which most of them will have to follow in life. But the remedy that is proposed to open agricultural classes in all schools is very ideal and very visionary. There are considerable difficulties in regard to agricultural education in connection with schools about some of which I shall say a few words.

This subject has been considered not only by various Provincial Governments in India, but various schemes of agricultural education have been in practice in all the most advanced countries of the world and they find that they have been feeling their way and accounts of their work show that they have had to face many difficulties almost similar to what we find here and that several of the experiments attempted are not successful. It is only a few that have been successful. For instance, most of our schools are what we call Primary Schools. Most of them have got two to three classes, and some of them have got 4 to 5 classes, and they teach the mere rudiments of learning and hardly tackle other than the three R's — reading, writing and little arithmetic. In every part of the world it has been recognised that no useful instruction in agriculture can be imparted to boys, especially in that stage of learning. They have got first to learn to read, write and make simple calculations before anything more useful or substantial can be put in into their heads. That has been recognised all over the world and to that extent that proposition will be impossible to be attempted.

Then the next stage is the Middle School Stage. In many countries of the world what we understand by the Middle School Stage is really a part of the Elementary School Stage in those countries. They call it the Higher Elementary Stage. Even if we restrict ourselves to the Middle School Stage, even there agricultural instruction has its own difficulties. There are no doubt in the rural parts various Middle Schools in which a certain amount of agricultural training can be given, but it cannot be given in the same manner as and along with the general instruction that is now being given. For instance, a boy studying in the Lower Secondary stage cannot practice and learn during the time he continues in that school as much agriculture as will make him an agriculturist. Some of you may be aware that even now agriculture is an optional subject for the Lower Secondary Examination and a certain amount of theoretical instruction is imparted in that subject. Ordinarily the time devoted to it is about four periods a week that is roughly about 2½ hours a week. Very little of practical training is given and it is all reading from the book. No doubt in several cases the teacher has had some little training in agriculture and he may be able to explain the facts stated in that book with a certain amount of clearness. But all the same, it must be admitted that the teaching is very crude, and the result, I do not think, is very satisfactory. I do not think that the boys who pass the Lower Secondary Examination taking agriculture as an optional subject are in any way better, so far as an agricultural bent is concerned, than other boys. It has been recognised in every country that the teaching of agriculture requires a certain amount of special training. That is, if you want for instance to introduce in our Middle Schools any useful agricultural knowledge, we should have agricultural teachers, teachers who have been trained in the Hebbal school. We know what these men generally cost. They cost about 50 to 60 rupees as Agricultural Inspectors and I do not think we can get them at any less cost. Well, it is a question whether sufficient funds can be found to entertain a large number of these men in all the Middle Schools of the State. The scheme has to be developed gradually. Then again, the amount of time that is given to agriculture is four periods of 45 minutes each a week and that will be very insufficient if any practical training is to be given in agriculture. Take for instance, the ploughing season; even if the boys devote 4 periods in the week in the fields they cannot be expected to turn out much work and during the sowing season the reaping season and so on, the work has got to be done continuously in the fields till the operation is over and that kind of teaching and requirements of practical work will not be satisfied by a school which can only devote 4 periods a week on different days. We shall have to completely modify the curriculum and give a much larger time for agriculture if it is to be taught in any businesslike way. That is, practically we have got to plan out regular agricultural study in the Middle Schools and the students should take up that subject as a main one, the general education being somewhat subsidiary. They will have to devote quite

a large portion of their time at their disposal to agriculture, both theory and practice, and have the other subjects to take a subordinate place. That view has been held by several very competent authorities and it has also been held in recent years by other Provincial Governments which have considered the subject very carefully.

In the issues of the Mysore Blue Book Journal you will find two important resolutions, one by the Punjab Government and another by the Bengal Government in regard to agricultural education. They recommend that these agricultural schools should be started and should be worked on the model that they should be purely agricultural schools in which agriculture should be the main subject and the boys will devote most of their time to this, theoretical and practical, and in which other education will take a subordinate place. That is the view they adopt and recommend. That kind of school would be similar to the one that we have got in Chikkanahalli. Chikkanahalli school admits the boys who have passed the Primary School and have learnt reading, writing and a little arthmetic and they then undergo a course of instruction for a period of one year now. That period is very short. I believe there is an idea of making it two years. During that period the boys devote themselves entirely to agricultural work. They work on farm lands attached to the school and do all the agricultural operations necessary, and other subsidiary things such as gardening, smithy and so on, and they also devote an hour or two a day for other general instruction in history, geography and science, etc. Well, that kind of education is certainly very good in turning out a practical agriculturist and a man who would be able to go back to the land and to cultivate it with some advantage. But that kind of thing will not quite fit in with the regular curriculum of an A.-V. School in which he hopes to pass the Lower Secondary Examination and go to the High School. There the little theory that is given to him during the four years that he devotes to the subject will not carry him far. If therefore agricultural education is to be given with benefit, we ought to develop that kind of school in a large number of centres. But so far as experience goes even the Chikkanahalli school is not very popular. You do not get a sufficiently large number of boys and most of the boys are there only on account of the scholarship that is given. It is therefore somewhat premature to say that there is any very large demand, as demand can be understood for this kind of agricultural instruction.

Coming to Secondary Schools, the policy has been laid down in the Educational Memorandum that agriculture should also be introduced in some High Schools. There is also the same difficulty that the course will not fit in with the usual course in general instruction, so far as our instruction is concerned and that we shall have considerable amount of difficulty in fitting in those two courses together. If we want purely agricultural secondary education, I think the best course would be to start some more schools on the lines of the Hebbal school where the boys who have reached the high school stage, and who know a little of science and some English for the purposes of instruction, are put through a regular course of agricultural work, theoretical and practical, more practical than theoretical for a period of two years and there they are turned out at that time as fairly efficient agriculturists. They are well qualified to go back to their lands and follow their profession of agriculture. But even there, we all know, it is not the real agricultural classes, people who have lands and who may go back to their lands, that form the bulk of the students. A very large number of them hope to secure some employment in the Agricultural Department at the end of their course. No doubt, the Agricultural Department in its present state of development needs such men and it is very desirable to have such men at its service, but that kind of thing cannot go on for ever. In the course of a few years the Agricultural Department will have as many men as it wants and the real trouble will come then. Unless there are men who can go back to their lands or who desire to know more about agriculture than one can gather by mere tradition and experience, unless we have got such men the school will not make much progress. I hope such a demand will really come within a few years, but it is still to come. It will therefore be clear that however much we may desire that agricultural education should spread and that agriculturists should learn agriculture and stick to their lands, still public opinion and public requirements do not seem to be pointing in that way. Therefore that desire has still to be awakened in them and it is only then the real demand will come and if that demand comes I am sure the Government will only be too pleased to organise

a scheme of instruction that will satisfy the demand in a proper way. This proposition not only lays stress on the desirability of agricultural instruction, but also specifies certain objects with which that instruction should be imparted. The objects mentioned are a proper understanding of the improved methods suggested by the Agricultural Department, increased output of food crops and the prevention of migration of land owners from villages to towns and cities.

So far as the improved methods suggested by the Agricultural Department are concerned, I think more good can be done by the propoganda work undertaken by itinerary agricultural inspectors than by mere schools. I understand from a very interesting book published sometime ago by Dr. Coleman as the result of his studies in Europe and America that in Germany some of these agricultural schools are in charge of trained agricultural people corresponding to our agricultural inspectors, people who have been trained in agricultural high schools or in the University, who conduct regular school during the winter season during the time when no agricultural operations are going on and who in the remaining period during spring and summer when agricultural operations are going on do the same kind of work as our agricultural inspectors, that is, they go to different farms and keep in touch with different farmers, helping them with advice.

It is said that winter schools and their itinerary teachers have been of greater service and are very much better than the regular agricultural schools that are conducted in certain places in Germany. It seems to me that so far as making popular such improved methods a larger expansion of the agricultural department on the present lines is very much more necessary and useful than mere extension of the schools.

As said before a very large percentage of the agricultural population is illiterate. We cannot teach them except by oral instruction. The teacher must stand before him and speak to him in person. You cannot teach him by books. You cannot improve him by pamphlets or by any other method. The larger the agency that is employed in direct oral propoganda of this type, the larger will be the useful result that will be attained.

As regards increased output, that follows from following improved methods. It is only the consequence of the adoption of the improved methods. The third object that is set forth is the prevention of migration of land owners from villages to towns and cities. Well, this is a large question and I do not think that it is merely one of agricultural education, or that the want of it is the cause for the migration that exists.

On the one hand, I think it has been felt that in the whole of India and in Mysore in particular, a very large percentage of population is rural and the town population is very small. Even the towns are more truly, large villages in which there is a large element of agricultural population. The real urban population is of a very small percentage. It has been often suggested that the country would make greater progress if the urban population is increased. I do not know whether Mr. Hosakoppa Krishna Rao agrees with that view, but apparently he does not, and he wants us to take the opposite course and go back to the land. I do not know how far it will fit in with the progress of the industries in towns, which most of us are keen about. In any case, the migration of land owners to towns does not depend upon agriculture alone. It depends upon various economic and other conditions in towns, greater amenities in town life, greater facility of communications and so on. But there is no doubt, however, that there would certainly be greater general improvement if more people knew about agriculture, had more scientific knowledge and followed improved methods. To that extent it will certainly benefit the country if more accurate knowledge in agriculture is fostered and to that extent I think Government are in quite sympathy with the spirit of the resolution that agricultural instruction should be improved and greater facilities accorded. But I do not think the department can accept the particular suggestion made here as to the methods by which the improvement of agricultural instruction should be fostered, that is, by making all schools, agricultural and so on. I think it is much better if the mover of the resolution leaves the question of methods to the Government and to the Departmental Agency which have got to work out those details, but so far as the general spirit of the resolution is concerned to that extent I think Government have already committed themselves to the policy both in the Memorandum and otherwise. I do not think therefore, that any further

assurance is needed from the Government to keep that policy in view. Improvement of Agricultural Education whether in one shape or another will mean a very large increase of expenditure and till a larger amount of funds is available I fear very little can be done. We have got to wait in hope for a more generous time. With this explanation I hope that the mover will not press the proposition.

RAO BAHADUR M. SHAMA RAO.—Sir, Mr. Balasundaram Iyer said the resolution appeals to one's imagination but does not take note of the practical difficulties in the way. It is within my knowledge that when I was Inspector-General of Education, Government actually sanctioned the opening of half a dozen Vernacular Agricultural classes in connection with half a dozen schools and Dr. Coleman was most enthusiastic about this move. He gave every help possible and we had also trained schoolmasters who had actually undergone training for a year in agriculture and they were posted to suitable villages. But the difficulties in the way were that after the schools were started, many people came forward with free offers of lands but those lands were found to be rocky and quite unfit for cultivation. To avoid such difficulties we acquired lands in some villages but the village tanks often dried up and water could not be found out. Applications came for sinking wells and this meant considerable cost. Then we had the trouble of fencing the lands. The boys had to keep watch also and many of them were unwilling. Their parents were also unwilling and we had the schoolmasters applying for servants to watch the crops because none of the boys would undertake to do the work. Then the boys were asked to watch by turns, but there is an old adage which says that "a child whom many fathers share hath seldom known a father's care." That was the result when supervision was divided. In all these ways after a year or so the experimental schools were given up. These are the difficulties in the way. If we can have schools, purely agricultural, on the lines of Hebbal and Chikkanahalli, then perhaps there will be some use. The opening of agricultural classes in Vernacular schools, I believe, will completely fail and will not be successful.

MR. M. SUBBIAH.—Sir, in the name of Agriculture, I am sorry to say a large amount is spent. Being a member of the Economic Conference for the last 8 or 9 years, I know that when these schools were started, experiments were tried by opening Agricultural schools in many places as Mr. Shama Rao stated. All of them have failed. The chief cause is, Sir, that these teachers are expected to learn this agriculture in one or two years going to a normal school and teach what they have learnt to the boys of cultivators. But while the people have got practical agriculturists, *viz.*, the parents of the boys who have been trained in this Agriculture for centuries, these teachers cannot teach anything more than what the parents do. If you want to give this sort of Agricultural education in the Primary schools the scheme brought forward by Mr. J. Krumbiegal in the Economic Conference *re*: School Gardens, would prove more useful than the one suggested. One of my boys took agriculture and he learnt by heart what was in the book. One day I questioned him about ploughing and he simply repeated nothing but what was in the book. That sort of education is next to useless. He must be shewn everything practically. It will be done only in the villages where the boys will learn agriculture by seeing what their elders are doing. I think there is more need for general education than for this kind of education in the villages. I am not for giving this in the middle schools. But after passing the High school stage to learn the scientific side of the improved method of Agriculture they may be sent to schools like the Agricultural School, Hebbal where there are competent teachers to teach the boys. That is the proper stage to learn real Agriculture and not in the elementary or secondary school stage.

MR. RAMASWAMY CHETTY.—This country as we all know is purely an agricultural country and the people depend on Agriculture mainly. This state of things exists not only here in the Mysore State but all over India. India is not an uncivilised country. Even the illiterate people cannot be said to be uncivilised. The raiyats cannot be said to be uncivilised, because they are illiterate; they are not jungle people, people who do not know Agriculture. Raiyats know Agriculture. As. Mr. Subbiah has well stated mere book learning about Agriculture will not make practical agriculturists. Our raiyats know what they have to do, the various operations in Agriculture. They may not do deep ploughing for want of good bullocks as they are poor. For all purposes it will be sufficient if improved

methods are explained to them by demonstration. If the improved methods are found to be more useful then our people will adopt them for agricultural purposes.

English education spoils the raiyat population and the merchants also. The non-brahmin boys belonging to trading and agricultural communities unfortunately take to English education. They do not care for the professions of their parents and the non-brahmin agriculturists and traders are losers, because, the members of their families who are sent to schools do not return to trade and agriculture. If the boys are bright and have cultivated a taste and have talent for higher education and if the family has means, it is worth while for them to go in for English education.

With regard to Agricultural instruction, it is not necessary to open Agricultural classes in secondary and elementary schools as has been suggested in the resolution that has been proposed. Sir, what we can usefully do is to have itinerant teachers who have got practical knowledge of Agriculture, send them to villages to teach the raiyats the improved methods of cultivation. That is all. That will be more useful than opening schools everywhere and anywhere. I do not think it will be useful at all. It will entail much cost and no practical result will ensue from it. I think the only way in which the improved methods can be taught is by sending teachers who have practical knowledge to villages to demonstrate to the raiyat classes, the improved methods; that will be useful. That is the only way to improve the present condition of things.

Mr. M. Ramachandra Rao.—Sir, I wish to say only a few words by way of reply. Mr. Abbas Khan said that the object of the mover of this resolution may be gained by proceeding in accordance with the suggestions made in the Education Memorandum. I may at once say that either in pursuance of the suggestion made in the Education Memorandum or independently of it, if some definite attempt is made by Government to achieve the object which the mover has in view both the mover and myself would be quite satisfied. No doubt, I must thank Mr. Balasundaram Iyer for criticising the resolution thread-bare. He has shown great sympathy for the resolution. But I confess I was not able to gather much value in his sympathy. Mr. Shama Rao has related his unhappy experience in opening one or two schools and shutting them up in a very short time. I wish Mr. Shama Rao had continued this experiment a little longer. He would certainly have come across sincere donors who were willing to give money for the establishment of agricultural schools in different parts of the country. Mr. Subbiah also gave an account of his disappointment in his son's education. But I am sure that most of the members of this House will not share the same opinion. My learned friend Mr. B. V. Ramaswamy Chetty is always known to support a good cause. But I am surprised at the disappointment he has caused me on this occasion. He too has tried to criticise the terms of the resolution as being impossible. I should have thanked him if he had suggested an alternative and helped the mover of the resolution in gaining his object. I once more submit for the consideration of the House that the proposal put forward by the mover is by no means imaginary as one learned speaker said or visionary or impracticable as some other learned member chose to say. It vitally concerns the agricultural population of the State. The experiment which Government have made so far does not seem to be at all adequate. In the resolution the words "secondary and elementary" have been used and the mover who is responsible for this, may have had in his mind the words, "elementary, middle and secondary." I would once more appeal to Government to take into consideration the object of the mover and try to give effect to that object as far as practicable. It does not follow that because it is stated in the resolution that vernacular agricultural classes should be opened in rural areas, it is the intention of the mover that all these schools should come into existence immediately. His object was to point out that Agricultural education has not sufficiently spread among the people who are most in need of it. And as I already said in my remarks, I would once more say that any further attempt which the Government may make towards spreading Agricultural education among the rural classes would be most welcome.

Mr. Mir Hamza Hussain.—What is the result of the discussion on the resolution?

Mr. M. Ramachandra Rao.—Sir, I want an assurance from Government that they would try as far as practicable to meet the wishes of the mover. If such an assurance is given, I shall have no objection to withdraw.

DEWAN.—Mr. Ramachandra Rao has very ably supported the resolution which stood in the name of Mr. Hosakoppa Krishna Rao and I think he has performed the task that came to him through the medium of the telegraph very ably and conscientiously. This is a subject which is not at all new to Mysore. I have been hearing about agricultural education, I think, from the time I came here, that is from the year 1916. I believe, in that year, certain experiments, as referred to by Mr. Shama Rao, were attempted. In fact it is rather an hackneyed subject which has come up almost at every session of the Economic Conference and also at some of the meetings of the Education Board of the Economic Conference. So far as the Mysore Government are concerned, they have not only published sufficient literature as regards agricultural education but have also done something substantial and something practical, although some of the experiments have failed in the past which does not necessarily prove that they have not left a lesson behind them.

Mr. Balasundaram Iyer, with his very lucid explanation regarding the practical difficulties for any wide and diffused scheme of agricultural education, will have convinced this House that if we attempt any such scheme it will only mean very large expenditure of public money without appreciable advantage to be derived therefrom.

Owing to all these considerations and after a very mature deliberation of the question in all its aspects, Government passed certain orders on the Education Memorandum prescribing a course of agricultural instruction in Middle Schools, and also advocating the opening of agricultural schools in suitable centres; and although, I regret, that we have not been able, till now, to give any practical effect to those orders there is no need for me to give an assurance, that as soon as we are able to make a start in the direction already laid down, the Government will take necessary steps.

The main difficulty is to get at the real agriculturist to whom Government may impart agricultural instruction. As soon as any school is opened for agricultural education we do not always get the suitable class of students, and for this there are many reasons, some of which have already been explained. If we are able to get at the real agriculturist who would be benefited by any kind of agricultural instruction both theoretical as well as practical, there is no doubt that there will be immense benefit to the country at large. We shall no doubt try and make experiments which is based on very minute and detailed examination.

If Mr. Ramachandra Rao will kindly modify the wording of the resolution to the effect "that this Council recommends to Government the early opening of agricultural classes in accordance with the orders on the Education Memorandum and more regular agricultural schools with demonstration farms at suitable centres for the spread of agricultural education," I am prepared on behalf of Government to accept the resolution.

MR. M. RAMACHANDRA RAO.—Sir, I thank you for the kind manner in which you have appreciated the resolution. I am willing to accept your suggestion with thanks.

DEWAN.—Gentlemen, the business is over and the Council is adjourned *sine die*.